COPY A

JULY 9, 1955

foreign trade

CANADA

CHICAGO PUBLIC LIBRARY
JUL 19
BUSINESS

E 40

MARKETS in the PERSIAN GULF (page two)

2	Markets in the Persian Gulf
4	Surinam—a South American Market
6	The British Market for Farm Products
9	Commodity Notes
11	Australia Makes Aluminum
13	Toys for Venezuelan Children
14	Cultivating the Ethiopian Market
16	Exchange and Import Controls Abroad
18	Canada in Foreign Markets
20	Italy Needs Canadian Fish
22	General Notes
24	Banking Abroad: Italy
26	Taiwan Announces Trading Regulations
27	Trade and Tariff Regulations
29	Foreign Trade Service Abroad
34	Foreign Exchange Rates
36	Businessman's Bookshelf

CANADA

foreign trade

Established in 1904

Published fortnightly by the Department of Trade and Commerce.
The Right Honourable C. D. HOWE, Minister,
WM. FREDERICK BULL, Deputy Minister.

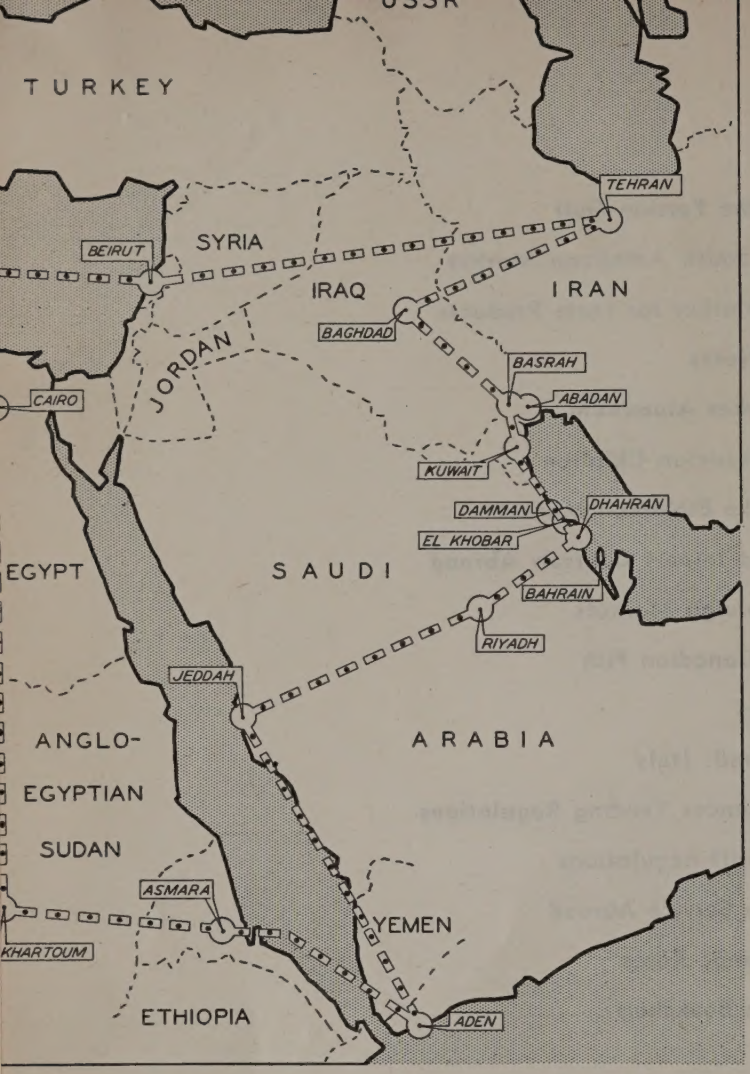
OTTAWA, JULY 9, 1955, Vol. 104, No. 1

Please forward all subscriptions and orders to:
The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad.
Single copies: 20 cents each.
Authorized as second class mail by the Post Office Department, Ottawa.

Material appearing in this magazine may be freely reprinted, preferably giving credit to "Foreign Trade".

cover From this Ras Tanura marine terminal, a spit of sand running out from Dhahran far into the Persian Gulf, all of the oil currently exported from Arabia, (except that piped from Bahrain) is loaded into tankers. The booming oil business in this area and the revenues it brings in makes markets there well worth Canadian attention. See report on page two.

—Photo by Standard Oil (N.J.)



J. P. MANION, *Assistant Director, Economic Planning and Co-ordination, Trade Commissioner Service.*

The increasing importance of the Persian Gulf area is such that the Department of Trade and Commerce early this year decided to undertake an on-the-spot economic survey. I was thereupon directed to proceed to that area and, in collaboration with G. F. G. Hughes, Commercial Secretary in Beirut, and R. K. Thomson, Commercial Secretary in Karachi, to investigate and report upon market opportunities there. As the route on the above map shows, I also met M. R. M. Dale, Commercial Secretary in Cairo, and proceeded with him to Aden and Jeddah, before entering the Persian Gulf territory proper.

Our conclusion was that trade prospects in the area are extensive and growing. In consequence, "Foreign Trade" is publishing a series of four reports on the territory, of which the first one follows. It will deal with the area as a whole; the other three articles will deal separately with the Persian Gulf ports of the Arabian Peninsula, with Iraq, and finally with Iran.

MARKETS

IT IS ONLY SINCE THE WAR that the countries bordering on the Persian Gulf have taken on their present importance as a major source of the free world's petroleum. Up to 1938 Iran was the only country in the area with large proved reserves and of the 330 thousand barrels per day coming from the Persian Gulf, it supplied just about two-thirds. By 1954, production of the area had reached the fabulous total of 2½ million barrels per day, or about ten times that of Canada, and it had 58 per cent of the world's known reserves.

Strategically these reserves are more important than those of the Caribbean and of North America and the maintenance of Western prestige in the area is therefore of major significance.

Bases for Development

Fortunately, these oil revenues to the amount of about $800 million a year provide the basis for rapid development. If they are properly used, these funds can ensure social stability and thus eradicate the danger of Communism.

There are other points which suggest rapid development in the area as a whole. Air conditioning, for one thing, is changing the face of the Middle East as central heating did that of Canada fifty years ago. The fact that the summers can be made tolerable should have a profound effect on the working tempo of the people. The torpidity and lethargy which have been traditional characteristics will tend to disappear and this trend will be accentuated by the elimination of endemic and debilitating diseases through insect control, water purification, and sewage disposal.

Of equal significance is the introduction of motor transport in an area which has had to depend on the slow-moving camel for some 1,400 years. Since expensive roads are not absolutely essential in many parts of the desert, trucks have permitted a rapid transition from the old to the new in transportation techniques.

Heavy earth-moving equipment is providing a means of regulating the flow of water. Dams, irrigation, deep wells, land reclamation, drainage which will allow the leaching of salted soil—all these new techniques are being brought into use at an accelerated pace, and will greatly add to the fertility and productivity of the area.

THE CHICAGO PUBLIC LIBRARY

in the PERSIAN GULF

A final point is the extension of educational facilities and the gradual spread of technical know-how, largely due to the efforts of the oil companies in the area.

Under-Populated Area

These are but a few of the factors which, over the long term, will enhance the short-term benefits which are now being derived from oil revenues. Although those revenues themselves are of immediate interest to Canada as a source of foreign currency with which the area may purchase dollar goods, we should think in longer terms and realize that 10 or 15 years from now this territory will be self-sustaining, economically viable, and in a position to benefit from a greater balance in its international trade. One of the points which should be borne in mind is that the territory, generally speaking, is under-populated and therefore presents a picture which is entirely different from that of the over-populated areas of the globe.

The following table clearly illustrates this point:

	Area	*Population*
Iran	630,000 sq. miles	20,000,000
Iraq	168,000 " "	5,500,000
Saudi Arabia	927,000 " "	8,000,000
Aden and Aden Protectorate	122,000 " "	650,000
Yemen	75,000 " "	4,500,000
Persian Gulf Sheikdoms and Protectorates	100,000 " "	1,000,000
Total (approx.)	2,000,000 sq. miles	40,000,000

This places the area part way between say, India, which in a little over half the area has nine times the population, and Canada, which is double the area and has only 40 per cent of the population.

The point at issue here is that, whereas capital developments in some parts of the world can with difficulty keep up with population growth in maintaining a subsistence standard of living, similar developments in the Persian Gulf will require extended use of mechanization to supplement existing manpower resources. This in turn will stimulate productivity and ensure a rising standard of consumption.

Foreign Exchange Availabilities

At this point it appears pertinent to review the resources of the area as a whole in order to determine the amount of foreign exchange available for the purchase of imported goods.

The immediate mainstay of the area is evidently the oil revenues derived from concessionaire companies. The following table indicates these revenues:

OIL OUTPUT AND REVENUES

	Output		*Government Revenues*
	million barrels	*million tons*	*million dollars*
Saudi Arabia	310	46	$250M
Kuwait	315	47	200
Iraq	210	30	220
Qatar	31	4·6	25
Bahrain	11	1·6	10
Iran—1954	10	1·5	.....
—1957	210	30	180
Total: 1954	887	130·7	$705M
1957	1,087	160·7	$885M
Canadian Output: 1954	81	11	

There will be further revisions in the above figures. Iraq has just negotiated a new agreement which has raised its estimated revenues from $180 million to $220 million; Kuwait is discussing a similar revision, which might increase its revenues to the level of Saudi Arabia's, and continued exploration is opening up new production in Qatar and in the Trucial Sheikdoms to the southeast. On the other hand, there may be a certain cutback in production in Saudi Arabia and Kuwait in order to accommodate new production in Iran. On balance, nevertheless, revenues are certain to remain over $800 million and may well reach $900 million by 1957.

In addition, the oil companies have heavy requirements of imported goods which they pay for as part of their production cost. Globally, these requirements may be estimated at $200 million.

Another source of foreign exchange is the non-petroleum exports of the countries themselves. These amount to about $60 million in the case of Iraq and $100 million in that of Iran and are practically nil in the other political areas.

Advanced irrigation schemes in Iraq and prospective agricultural developments in Iran will tend to increase exports of native produce and cash crops—such as cotton—over the next few years.

By and large, however, it may be conservatively estimated that within two years total foreign exchange availabilities of the territory under review could reach

57627—2

$1,160,000,000. And, although there are some strings attached to the way in which this income is to be spent, they are surprisingly few.

The dollar area only imports about 8 per cent of all the oil produced in the territory, so that practically all oil revenues come from sales to soft currency countries. Because of this, it is considered desirable in some degree to restrict expenditures payable in dollars. However, all the countries have insisted that part of their oil revenues, mostly in sterling, must be convertible. A handy rule of thumb is that, on request, up to 40 per cent of oil revenues could probably be converted into dollars. This means in effect that up to $440 million could be made available for the purchase of dollar goods.

In Bahrain and Kuwait, oil company purchasing is done through London offices, with the avowed intention of saving dollars where possible. There are free dollar markets in both territories, however, with no controls on the source of consumer goods.

Company purchases for the Saudi Arabian concession company are handled through an office in the Hague.

In Iraq, the situation is somewhat different. The two oil companies are trying to pass their orders through local agents of foreign firms. The result is that the oil companies have no responsibility in the matter of foreign exchange because this now has to be provided from government sources through ordinary commercial channels.

According to American and Canadian export statistics for 1954, the United States exported to the area as a whole $237·6 million of commodities; Canada exported $2·8 million during the same period. It appears that Canada could do a great deal more in the way of promotion, visits by businessmen, the establishment of agencies or representatives, and closer relations with the area generally.

Further articles will give some idea of the types of goods required in this area.

SURINAM--*a South American market*

Its new status as an equal partner in the Kingdom of the Netherlands has given greater impetus to Surinam's development. Canada's share in this market is small, but might be increased.

P. V. McLANE, *Trade Commissioner, Port-of-Spain.*

SURINAM, or Netherlands Guiana, achieved a new status on December 15, 1954, when it became an integral part of the Kingdom of the Netherlands. This marked a definite step in the evolution from a Dutch colony to a partner in the Kingdom. A number of matters will still be handled by the Netherlands alone —such as national defence, external affairs, the nationality of citizens and sea-going vessels, and general rules on the admission and expulsion of Netherlands and aliens.

Though Surinam is a large country, the majority of its population of 238 thousand live within the narrow coastal belt—about 86,000 in Paramaribo alone. Among the mixed population, East Indians and Indonesians predominate. There are also some Europeans and Chinese and, back in the jungle, aborigines.

The Government is bending every effort to developing the country and has done considerable planning. Except for the large bauxite development and a growing lumber and plywood industry, the economy is primarily agricultural. The smaller industries chiefly meet local needs and have not yet become important in export trade. The large and efficient plywood industry, however, has extensive markets, especially in the Caribbean area.

Financing the Ten Year Plan

The latest Ten Year Plan discusses methods of improving general conditions as well as seeking economic development. After considerable preparation, this Plan was passed by the Legislative Council of Surinam on October 9, 1954.

The Plan, which is intended to cover the period 1955-1965, emphasizes the gradual improvement of the standard of living of the lower income group. Working schedules for one or two years will be drafted and will be separately approved by the Government and

the Legislative Council. These working schedules provide an opportunity to observe progress periodically and to alter the original program, if necessary, on the basis of experience.

To finance the Ten Year Plan a total of Sf.117 million is needed. Of this, Surinam will pay Sf.40 million. The Netherlands will provide the balance of Sf.77 million, one-half in the form of loans and the remainder as an outright gift. The Sf.117 million is budgeted for separate sectors as follows: agriculture (29·3); forestry (6·5); industry (6·4); mining (6·5); aerial survey (2·2); traffic (26·8); general provisions and public utilities (4·9); education (6·1); health (10·0); welfare (1·0); public housing (4·0); public credit service (2·0); technical assistance (2·0); improvement of the administrative service (1·2); labour provisions (4·0); justice (0·8); and general management (3·0).

The budget for the first year is to be Sf.13 million and for the second 15·5 million. It will be reduced gradually each year to a total of 9 million for the last year.

Importing and Exporting

There are few obstacles placed in the way of exporters interested in the Surinam market. Importers there must register and must obtain an import licence in order to buy foreign exchange for settlement of a specific transaction. This licence must be secured before placing orders abroad, but the terms are fairly flexible. Licences are issued freely on all countries and there is no difficulty in securing them for hard currency areas. Certain products—such as macaroni, rice, timber, furniture and a few other commodities—are produced locally and the import of similar products is prohibited. A number of other commodities—such as meat products, sugar, wheat products, clothing, matches and certain types of wooden furniture—are restricted by quota.

Importers can still be black-listed if they fail to honour sight drafts within one month of arrival of the merchandise in Surinam or fail to honour drafts one month after due date.

Exporters from Surinam are formally subject to government control but, with the exception of rice and peeler logs, permission to export is practically always granted.

Foreign Trade

Exports from Surinam were valued at Sf.49·1 million in 1953, up Sf.3·2 million from the previous year's total. Bauxite takes undisputed first place; exports of bauxite were valued at Sf.40·1 million and accounted for the entire increase. Plywood exports totalled Sf.2·8 million, about the same as in the previous two years. Bauxite goes mainly to the United States and plywood

The Surinam Government is doing its utmost to develop local industry, both to serve domestic needs and to provide exports. Our photo shows operations going forward in one of the cigarette manufacturing plants in Paramaribo.

mainly to the West Indian territories. Canada buys practically nothing from Surinam.

Import trade reached a total of Sf.54·3 million, down Sf.2·2 million from the previous year. The United States was the principal supplier with Sf.23·9 million (Sf.28·2 million in 1952) and the Netherlands was second with Sf.14·6 million (Sf.13·2 million in 1952). Supplies from other European countries were valued at Sf.7·1 million, from the Caribbean Islands and French Guiana at Sf.4·9 million. Canada's share of the trade was Sf.1 million, compared with Sf.1·3 million in 1952. Imports consist mainly of manufactured goods (Sf.35·7 million in 1953), foodstuffs and beverages (Sf.10·5 million in 1953), and raw and partly prepared materials (Sf. 8 million in 1953).

Trade with Canada

Canada must compete on equal terms with other countries but has poorer shipping services than some of her competitors. According to Canadian trade returns, exports to Surinam rose to Can.$910,846 in 1954 from Can.$712,012 in 1953. The bulk of our trade is in flour, Can.$500,766 (Can.$414,125 in 1953). Other commodities of importance in 1954 were dry salted hake Can.$22,924; pickled alewives Can.$13,521; pickled salmon Can.$13,670; sardines Can.$40,346; canned salmon Can.$11,515; pickled beef in barrels Can.$6,680; evaporated milk Can.$5,655; cotton textiles Can.$15,524; gas engines and parts Can. $65,153; reapers, threshers or combines Can.$5,773; lamps and lanterns of metal Can.$6,004; medicinal preparations Can.$28,074; drugs and chemicals Can. $82,355; and brooms and whisks Can.$5,627.●

The British Market for Farm Products

D. A. BRUCE MARSHALL,
Commercial Secretary (Agriculture), London.

Disappearance of rationing a year ago has given British buyers wider choice of foodstuffs. Continuing dollar restrictions and stress on greater home production limit sales of Canadian food products but some made gains in 1954.

BEFORE THE WAR, British farmers provided 31 per cent of the food consumed in the United Kingdom; by 1954 the British share had increased to 41 per cent. During 1954-55, mainly because of bad weather, the increases evident since 1946-47 disappeared and total agricultural production was down 2 per cent from the previous year. To make up for this setback, guaranteed prices were increased for livestock and livestock products, milk, eggs, barley and oats, sugar beet and potatoes, at the annual price review in February. With production grants, the awards totalled £28 million.

The Government has urged the necessity for lower production costs and greater efficiency in order to reduce food subsidies, and has emphasized the importance of domestic agricultural production in alleviating balance of payments difficulties.

Economy in Feedingstuffs

Of particular importance to the balance of payments situation is the part played by home production and imports of feedingstuffs. After the 14 years of feed rationing ended, many farms reverted to other crops, relying on cheaper imported feeds. In giving the results of the 1955 price review, the Government pointed out that there had been a fall of 469 thousand acres in tillage which had not been made up by an increase in grassland. Feeds were being imported at the rate of two million tons a year above the rate of consumption under rationing at a cost to the balance of payments of about £55 million c.i.f. a year.

Imports of all types of feeds totalled 1,476,057 long tons in 1954, compared with 1,343,878 tons the year before. In the first quarter of 1955 imports totalled 564,030 long tons, compared with 351,746 tons in the same period of 1954. Shipments of feeds from Canada were more than double—52·4 thousand tons from January-March 1955, compared with 22·5 thousand in the same period last year—and various grain by-products increased from 60 to 7,300 tons. Imports of Canadian oilseed cake and meal were also doubled compared with last year. The weather was partly responsible for some of the decline in domestic grain production. In fact, the effects of the bad weather of 1953-54 will be reflected well into 1955-56.

Wheat and Flour Imports

United Kingdom imports of wheat declined in 1954 but the rate of shipments in the first quarter of 1955 is considerably above the same period of 1954. Shipments from Canada rose from 12·1 million bushels in 1953 to 20·3 million in 1954. In the first quarter of 1955, imports from all sources totalled 47·4 million bushels compared with 25·7 million in the same period of 1954. Canada shipped 20 million bushels compared with 12 million in 1954—or nearly half the total imports in each case.

Flour imports into Britain dropped from 480·2 thousand tons in 1953 to 360·8 thousand in 1954. The percentage of this business secured by Canada, however, went up from 73 in 1953 to nearly 90 per cent in 1954. The volume of imports in the first three months of 1955, at 76·5 thousand tons, remains about the same as for the equivalent period of 1954.

Rise in Milk Production

During 1954 milk production continued to rise but liquid consumption did not keep pace. Consequently the surplus available for manufacture continued to grow, notwithstanding the efforts of the Milk Marketing Boards to increase consumption through an extensive publicity campaign.

A year ago the industry was informed that any further increase in production must be contingent upon a corresponding expansion in the liquid market. At the 1955 review the warning was repeated. Nevertheless, to compensate for the increase in production costs, the guaranteed price was raised slightly.

In the first quarter of 1955, milk production declined for the first time since the war—from 477·3 million gallons in January-March 1954 to 458·8 million in the same period this year. Liquid consumption also fell by nearly a million gallons but the surplus available for manufacture dropped from 99 to 81 million gallons.

The biggest outlet for manufacturing milk in the U.K. is cheese-making. Production during 1954 was predominantly of the Cheddar and Dunlop varieties but in the current year these will likely be superseded by Cheshire. During rationing, which ended in May 1954, the consumer was often obliged to accept an anonymous and immature product. Since derationing, however, all the varieties known before the war have reappeared and a campaign to restore "cheese-consciousness" is under way.

The United Kingdom cheese market is now virtually completely free and competitive. Home producers are no longer required to sell their product to the Ministry of Food and most imports are for private account, with the exception of Australian. Australian cheddar is still offered ex Ministry of Food stores on the wholesale markets beside home-produced, Canadian, New Zealand and South African, as well as the remainder of the Ministry stocks of New Zealand.

From a peak of 197·2 million lb. in 1953, home production fell to 183 million in 1954 and is still declining. Overall supplies of Cheddar, Cheshire, etc., in 1954 were 22 million lb. down on the previous year, at 433 million lb.

Licences were granted for North American cheese from July 1, 1954. After a slow start due to its much higher price, Canadian Cheddar is now firmly established as a quality product on the British market. An expanding demand, coupled with the maintenance of the top price in the market, reflects the steadily increasing confidence of the trade and the consumer. The wholesale quotation of 260/– per 112 lb. ($31.91 per 100 lb.) is equal to the highest priced English Cheshire, while the retail price of 2/8d. per lb. (37 cents) at which steady sales are being made, is 1/– per lb. above the cost of most other Cheddars, as contrasted with a premium of about 2d. prewar.

Where Britain Buys Its Foodstuffs . . .

- *FLOUR—imports totalled 360·8 thousand tons in 1954; nearly 90 per cent came from Canada.*
- *WHEAT—purchases reached 47·4 million bushels in first quarter of '55; Canada supplied 20 million.*
- *BUTTER—of total imports of 632·5 million lb. in 1954, new Zealand and Denmark together supplied about 90 per cent.*
- *CHEESE—about 250 million lb. purchased abroad in 1954; Canada, Australia, New Zealand, and South Africa competed for this trade.*
- *EGGS—domestic production supplies about 87 per cent of market; remainder comes from Denmark.*
- *BACON—imports still purchased in bulk by Government, mainly from Denmark, the Netherlands, Sweden, and Poland.*
- *FEEDS—some 564,030 long tons bought abroad in first quarter of '55; Canada supplied 52·4 thousand tons.*

Butter Supplies and Prices

For the first time since the war, butter production in the U.K. exceeded the 1938 level, increasing from 34 million lb. in 1953 to 51·5 million in 1954. It constituted the second most important outlet for manufacturing milk, although home production provides only a small part of the total supply.

Imports of butter into the U.K., which totalled 632·5 million lb. in 1954, were at about the same level as the year before. In each case, New Zealand and Denmark together supplied approximately 90 per cent of total imports. Australia has supplied about 64 million lb. and the Netherlands approximately 30 million. In the period when the butter ration was low and supplies generally short, a number of other sources were developed—Argentina, Sweden, Finland, Austria. These and New Zealand supplies are privately imported, but bulk contracts with Denmark and Australia are still maintained by the Ministry of Agriculture, Fisheries and Food. At the time of derationing in May 1954 the branding of margarines was re-introduced and was primarily responsible for butter failing to reach the prices which were forecast before decontrol; with the exception of Danish, these have declined consistently.

New Zealand and Australian butter is retailing currently at 3/4d. to 3/6d. per lb. (46-48 cents), and Danish and Dutch (at present in their short season) at 4/– (55 cents); various brands of margarine are priced between 1/6d. and 2/– per lb. (21-27 cents).

Butter consumption per head has not been restored to the prewar level—in 1954 it was only 13·8 lb. compared with the 1938 figure of 24·1 lb. On the other hand, margarine consumption is considerably higher than prewar and consumption may have reached 16 to 17 lb. per head in 1954, compared with about 8 lb. in 1938.

Egg Market Firm

Egg prices reached the record of about 9d. each (10 cents) at one time and fell to the prewar level of 2d. (2 cents) at another. Although it was one of the first foods to be derationed (March 1953), a temporary marketing scheme still operates. For the past year, the market has remained comparatively quiet, with

retail prices fluctuating from 3/6d. per dozen (48 cents) in the flush period to 6/– (82 cents) in the winter. Experience has shown that the consumer will not pay more than 6/6d. per dozen (89 cents).

Total supplies in the first quarter of this year are little more than half of those available in the same period of 1954, because of a drop in home production and a reduction in shipments from Denmark to less than one-third of those in January-March 1954. The proportion supplied by the home farmer has risen from 80 per cent in 1954 to 87 per cent in 1955 and retail prices have averaged about 4/– per dozen (55 cents).

Preference for Home-Killed Meat

After decontrol in July 1954 and for a few months in the latter part of the year when the bulk contracts for carcass meat were still operating, the Ministry of Food built up stocks of imported frozen supplies to meet the anticipated shortfall in home-produced meats during the winter. When the frozen supplies were moved into trade, it was found for a time that the consumer preferred the fresh-killed product from the home farm. The British farmer capitalized on the strong demand at the expense of the beef herds and the demand for fresh meat remained good. The March agricultural census revealed that, as a result, the number of two-year-old steers had dropped by 60 thousand and the number of sheep over six months old by 700 thousand.

Imports of Meat and Bacon

The rate of meat shipments in the first quarter of 1955 was considerably higher than a year earlier. In the first three months of 1955, chilled beef imports totalled almost 24 thousand long tons, nearly four times more than for the same period of 1954. This was mainly accounted for by the considerable increase in supplies from Argentina; Australia is also developing the trade. Compared with the first quarter of 1954, frozen beef imports have gone down this year from 67·6 to 56·4 thousand tons. Total beef and veal imports in this period, however, increased from 88·2 thousand tons in 1954 to 97·6 thousand in 1955. Mutton and lamb imports reached 109 thousand tons this year, compared with 74 thousand last year.

The overall trend is that home agriculture is aiming to capture a greater proportion of the meat market and the consumer seems prepared to pay the higher price for fresh meat. In 1954 home production supplied 73 per cent of the beef and veal available on the British market compared with 66 per cent in 1953. The percentage of all meats provided by the British farmer rose from 60 in 1953 to 67 in 1954.

After expanding to over five million as a result of government encouragement and exhortations, there was an embarrassing surplus of pigs in the U.K. The glut in the late summer last year resulted in low prices with a heavy drain on government subsidies. At the annual price reviews of 1954 and 1955 the guaranteed prices were cut but in spite of this the numbers increased beyond expectations. With the second price cut, the Government warned of further possible reduction in view of the heavy subsidy and called for greater efficiency as the means of reducing it.

The market was thrown off balance in 1954. Hogs too heavy for the bacon factories were rejected and overflowed to the pork market. Consequently pork production went up by nearly 50 per cent in that year to 345 thousand tons, while bacon production dropped from 244 thousand tons in 1953 to 239 thousand in 1954.

Bacon imports have remained under bulk purchase by the Ministry of Agriculture, Fisheries and Food. Contracts are maintained with Denmark, the Netherlands, Sweden and Poland, and supplies from these countries are offered by the Ministry on the wholesale market in free competition with the home product.

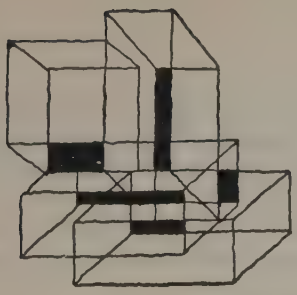
Since decontrol in July 1954 prices have dropped; the wholesale price of English Grade A bacon was $36.34 per 100 lb. at decontrol, but by April 1955 had fallen to $25.77. Danish grade A also dropped from $36.34 per 100 lb. at decontrol to $27.00 in April. These prices, coupled with the plentiful supply from home and non-dollar sources, appear to exclude for the time being the possibility of dollars being allocated for imports from North America.

Quality Apples Desired

After exclusion from the British market in 1953, Canadian apples were re-admitted under specific licence in the 1954-55 season. Although initial Canadian prices were high, they quickly levelled off to about 49/3d. per box ($6.75) at the end of December and most varieties and packs sold well throughout the season. The importance of adequate packaging and export of only the best and most suitable grades and sizes cannot be too strongly stressed if the Canadian reputation is to be maintained.

Outlook for Canadian Products

British agriculture is being exhorted to produce an even greater proportion of the nation's food supply to save dollars, but the problem is one of economical production. When Canadian products can be freely marketed in Britain, they will unquestionably sell in greater volume and variety than at present. However, it should not be forgotten that prices in North America are often appreciably higher than those in Europe. Many products therefore (like bacon) could not compete in the British market unless they were definitely superior in quality, such as Canadian cheese. The British food market is highly competitive and the consumer has shaken off his postwar apathy. Quality first, then price, have the greatest influence on his choice.●



commodity notes

Argentina

TUNG OIL—Tung nut production in 1953-54 totalled 101,900 metric tons, a 17 per cent decline from the record attained the previous season. However, production is still nearly double the five-year average ended 1951-52. Exports of tung oil last year, at 12,248 tons, was slightly higher than the previous year. A decree signed last January made compulsory the use of a certain proportion of tung oil in locally-made paints, varnishes and similar products in an endeavour to absorb surplus stocks.

Latest sales of tung oil for export have been made at 3,727.50 pesos per ton, f.o.b for Netherlands agreement dollars and at 3,510 pesos for United States dollars. The latter price compares with 3,300 pesos for purchases in U.S. dollars last year—Buenos Aires, June 14.

Austria

OIL—Oil production in lower Austria during 1954 was reported at 3·2 million tons, compared with 3·1 million tons in the previous year, the largest output since the end of the war. Total production between 1945 and 1954 was estimated at 17 million tons. This partly reflected exhausting extraction rates but was also the result of the discovery of rich new oil fields, such as those at Matzen and Aderklaa. The number of producing wells has doubled since the end of the war when there were not more than 250. Production now is concentrated on the Aderklaa, Matzen and Neusiedl fields—Berne, June 17.

Brazil

COFFEE—Coffee exports during the first ten months of the current commercial crop, which began July 1, 1954, amounted to 8·8 million bags, compared with over 13·4 million bags during the same period of the previous crop. This was a drop of nearly 35 per cent. This season, Santos has been responsible for 50 per cent of the shipments, Rio for 27 per cent, Paranagua for 11 per cent, and Vitoria for 9 per cent—São Paulo, June 16.

COTTON—Cotton production throughout Brazil totalled 447,295 tons in 1954, compared with 374,913 tons in 1953 and 515,426 tons in 1952, according to Ministry of Agriculture estimates. The area planted during the last two years has totalled about 2·5 million hectares; the state of São Paulo is the largest producer—São Paulo, June 16.

Cuba

NICKEL—Exports of Cuban nickel products during the calendar year 1954 were valued at $14,568,831. They comprised 13,497 tons of nickel oxides ($10,537,618) and 4,528 tons of granulated nickel ($4,031,213). All exports went to the United States and were produced in the mining concessions operated at the Nicaro installations in Oriente Province by the Nickel Processing Corporation—Havana, June 17.

Denmark

MATCH WOOD—Up to the present, the Danish match industry has been using imported wood, preferably European aspen grown in Poland and Finland. The Danish variety of European aspen has not proved satisfactory because its maturity period is too long. This problem has led to experiments at the Horsholm Agricultural College. A new tree has been produced by crossing Canadian pollen with Polish trees. The tree matures in 25 years, about half the time required by the ordinary Danish aspen. This type of cross-breeding has been carried on for several years and the experiment is now continuing on the basis of crossing Polish pollens with Canadian trees—Copenhagen, June 15.

Israel

CITRUS—Israel's citrus fruit exports for the season ended in March totalled 7·1 million crates and realized an estimated $38 million in foreign exchange. These earnings are a record, although the quantity exported is considerably less than the previous year's postwar record of 8·2 million crates which earned the country $32 million.

As in previous years, the United Kingdom was Israel's best customer, taking approximately three million crates. Sweden and Soviet Russia were also important buyers and large quantities were exported to many east and west European countries and to Argentina. For the first time, a small commercial consignment was shipped to Canada, comprising

Jaffa oranges, grapefruit and lemons, and sales were encouraging.

The total citrus cultivation has now reached 50,000 acres following recent plantings on 7,500 acres. Israel hopes to be able to increase cultivation to 65,000 acres within the next few years, permitting crops of up to 20 million crates, mostly for export—Athens, June 20.

Italy

MOTOR VEHICLES—Italy produced a record 216,700 motor vehicles in 1954, an increase of 24 per cent over the previous year. Compared with prewar production, the 1954 figure is approximately three times greater than 1937, the best prewar year when 78,000 units were produced. Exports during 1954 also set a record with a total of 44,136 units, 40 per cent over 1953. The highest prewar export was in 1937—33,680 vehicles—Rome, June 16.

Netherlands

COFFEE AND COPRA—Coffee and copra futures markets were officially opened in Amsterdam on May 9. Annual Netherlands coffee imports total about 1·5 million bags, of which approximately 465 thousand are for home consumption; the rest is re-exported. The coffee futures market had been closed for 15 years.

The chairman of the Copra Trade Association called the opening of the futures market a historic moment because this was the first copra futures market in the world. He stressed the important role Amsterdam and Rotterdam have always played in world copra trade—The Hague, June 21.

Norway

ASBESTOS-CEMENT—Asbestos-cement is becoming important in the building trade and it is reported that the Norsk Eternitfabrikk, makers of asbestos-cement products in this country, cannot keep pace with orders. The plant is planning to increase its output from 30,000 to 45,000 tons a year as from 1956. If these plans are realized, the firm may consider exporting its products, which are said to be competitive on the world market in price and quality —Oslo, June 16.

United Kingdom

RADIO EQUIPMENT—A new monthly export record was achieved in April by the United Kingdom radio industry when equipment valued at £2,969,000 was shipped abroad. Total exports for the first four months of the year were worth £10·5 million, over £1 million more than in the same period last year. During April, two groups of products reached particularly high levels. Exports of capital goods—transmitter, radar and navigational aids and electronic aids for industry—were worth more than £1·3 million. Shipments of sound reproducing equipment reached a new record of nearly £480 thousand—London, June 23.

United States

AUTOMOBILES—United States automotive circles expect automobile production may slump more than 40 per cent in the last six months of this year from the record-breaking pace that has been maintained in the first half. They base this forecast on annual production during the first three months of 1955. By the end of May the industry had produced 3·4 million passenger cars, more than half the number forecast for the whole of this year. If the present rate is maintained, or even if there is a slight slackening, some 4·4 million cars will have been turned out in the first six months of this year—67 per cent of the goal forecast by the president of General Motors early in March. These forecasts have been exceedingly accurate in past years; the predictions of two other leading figures have been similarly close. Normally, only 55 per cent of the year's production comes during the first six months—Detroit, June 27.

West Germany

MACHINERY—German engineering firms increased their machine exports by DM240 million to DM4·25 billion 1954, retaining first place in West Germany's export statistics. The export share of the total production, however, decreased from 38 per cent in 1953 to 33 per cent in 1954, so that machines represented a lower percentage in total exports than in the year before. German manufacturers complain of increasing difficulty in sales because many countries demand excessive long-term credits. Machine tools accounted for 12 per cent of total exports, of which 70 per cent were taken by EPU countries—Bonn, June 18.

STEEL—Latest statistics of the Economic Commission for Europe reveal that the European steel industry produced as much as 81·82 million tons of crude steel in 1954, an increase of 9 per cent compared with 1953. Biggest production rise was recorded in West Germany, with more than two million metric tons, followed by the United Kingdom with nearly one million metric tons. Compared with previous production figures, output increased most conspicuously in Austria, 29 per cent; Spain, 23 per cent; Italy, 19 per cent, and Yugoslavia, 17 per cent. At the same time, the Soviet steel industry reported an output of 41 million metric tons, compared with 38 million tons in 1953—Bonn, June 18.

Australia Makes Aluminum

In September, the first aluminum ingots to be made in Australia will come off the pot-lines. But the new plant will not meet total domestic demand and imports will continue to be essential.

R. W. BLAKE, *Commercial Secretary, Melbourne.*

AN IMPORTANT INDUSTRIAL EVENT is scheduled to take place in Australia this fall. For the first time aluminum ingots will be produced in an Australian plant established at Bell Bay, in Tasmania. By the new year, production is expected to reach an annual rate of 10,000 tons, though full production of 13,000 tons a year may be delayed until 1960. Present requirements of about 13,000 tons of aluminum a year are all imported, mainly in the form of ingots, and Canada is the chief supplier.

This aluminum project dates back to 1941. At that time, with the war at its height, Australia found herself with only one week's supply of aluminum on hand. This critical shortage led the Government and business to think seriously about the establishment of a domestic aluminum industry. Most of the materials for making aluminum—bauxite, coal, water, and electric power—could be found within the country. Only cryolite and petroleum coke would have to be purchased abroad, the first from Greenland and the second from the United States.

First Steps

When the war ended in 1945, the Australian Aluminum Production Commission was formed "to do all things necessary for the production of ingot aluminum in Australia, primarily in the interests of the naval, military and air defences of the Commonwealth and its territories". The Commission is a Commonwealth Government enterprise with four members representing the Federal Government and one representing Tasmania. (Tasmania is the only state able to produce hydro-electric power economically and it was asked to join the venture as an equal partner.)

The cost of the project has far out-run the original estimate. In 1941, the figure was set at not more than £3 million. Since then, however, prices have risen sharply and substantially more capital will be needed before the plant reaches full production. After contributing the £1½ million originally agreed upon, the Tasmanian Government was unable to provide further funds and the Commonwealth Government will now find all the capital to finish the job. To date, it has contributed altogether about £9 million.

The next problem was choosing a site. Tasmania was carefully examined for possible locations near a hydro-electric power source and with deep water where ships could anchor. The choice fell on Bell Bay, close to the mouth of the Tamar River, about 35 miles from Launceston, Tasmania's second city. Nearby the Trevallyn power development was undertaken, primarily to meet the power requirements of the Australian Aluminum Commission plant. It will supply 112,000 h.p. to the plant and any surplus will go to meet the increasing power demands in the Launceston area. This power station is almost completed and the first machine is ready to supply power to the plant.

Altogether, the experts say, at least 3·2 million h.p. could be developed economically in Tasmania to meet the needs of industry as well as domestic consumers. About 510,200 h.p. of generating plant is now in commission. However, the demand for power has always been ahead of the supply and as this situation may continue for some time, it is likely to be a limiting factor in the operation of the aluminum plant at full capacity.

For the present, the Bell Bay plant is using imported high-grade bauxite from Malaya. Imports totalled 9,000 tons in 1954 and, when the plant is operating at full capacity, will rise to 70,000 tons. The Aluminum Commission will probably continue to buy its bauxite from Malaya in peacetime. If war should come it will rely on native supplies, which thus have great strategic value.

Bauxite Resources

With this in mind, before the final decision to build the plant was made the Commission established the fact that local sources could supply bauxite of sufficiently high grade. Substantial quantities of bauxite were found in several areas of Australia but, except for some in Victoria already alienated under mining leases to commercial interests, it is not comparable in quality to that used by the major aluminum producing companies in Canada and the United States. Some of these deposits, however, are attractive economically because of their extent, the small amount of overburden, and the low silicon content. By the middle of 1949 the Commission had secured the rights to 8·6

View of Australia's first aluminum plant, under construction at Bell Bay, Tasmania, close to the mouth of the Tamar River. The plant is now nearing completion and it is expected that the first aluminum ingot will be produced early in September, using the Hall-Herault electrolysis process.

million tons, of which 7·75 million tons were in New South Wales and the remainder in Tasmania.

In 1952, deposits of bauxite totalling 10 million tons (enough to keep the plant going for over 150 years at the present production capacity) were proved on the island of Marchinbar, in the Wessel Island group about 400 miles northeast of Darwin. This deposit also carried practically no overburden and this makes it an attractive mining proposition.

The development of these proved bauxite deposits cannot be undertaken for some time and the Commission has continued with its plan to commence operations at Bell Bay with imported bauxite of the highest grade that can be obtained economically.

The new plant uses the Bayer process for the production of alumina from bauxite and the Hall-Herault electrolysis process to produce the metal from the alumina. For the present, the petroleum coke needed comes from the U.S., but with the expansion in Australian oil refining it may soon be made locally. In 1952, some 2,038 tons of cryolite from Greenland were stockpiled; in 1953, 138 tons were imported and in 1954, 60 tons. When the plant is at capacity, it will use about 600 to 700 tons of cryolite a year.

Imports Will Continue

The annual consumption of aluminum products in Australia is currently about 12,000 to 13,000 tons a year, about 75 per cent in fabricated products and about 20 per cent in castings. The Australian Aluminum Co. Pty. Ltd. turns out semi-fabricated products such as sheet, plate, strip, circles, and extruded rod, bars, sections, wire and tubing. It also operates a large forge annex on behalf of the Commonwealth Government. Three other large firms fabricate aluminum, as do several smaller ones.

Aluminum for domestic consumption is imported mainly in the form of pigs and ingots, plates, sheet and strip. Imports of the various types since 1951 were:

Imports of Aluminum Ingots and Refinery Shapes

(in tons)

	1951	*1952*	*1953*	*1954*
Ingots—				
Canada	10,255	5,204	3,757	6,51
Norway	1,038	2,574	3,512	3,16
Others	96	121	256	73
Total	11,389	7,899	7,525	10,42
Rods, bars, etc.—				
United Kingdom	196	673	179	.....
United States	.....	12	1	.....
Others	100	8	.....	.....
Total	296	693	180	9
Plates, sheets, strip—				
United Kingdom	2,518	2,292	1,622	.
Japan	313	327	52	.....
Others	461	370	36	.....
Total	3,292	2,989	1,710	1,8
Pipes and tubes	423	228	163	2
Leaf and foil	1,489	913	952	1,6
Scrap	140	462	2	
Total	2,052	1,603	1,117	1,9

A big field in aluminum fabrication in Australia is st untouched and the demand for aluminum products growing. For example, the new trend in architectu in the United States, using a greater amount of alum num, is taking hold there and the demand from t building industry is increasing. The sale of aluminu window frames in Australia has resulted in anoth prosperous branch of the industry. All this mea greater potential sales.

Operating at full capacity, the new plant would pro ably meet present Australian requirements of alun num. However, this is some years away, and with expanding market, substantial imports will rema necessary to augment local production. ●

Toys

for Venezuelan children

Come Christmas, Venezuelan stores will be filled with toys imported from many countries. Canadians could get a larger share of this lucrative market.

F. B. CLARK, *Commercial Secretary, Caracas.*

VENEZUELAN STORES are a children's paradise at Christmas when merchants display their extensive international assortment of the latest toys, dolls and novelties. They have selected these carefully throughout the year from samples presented by resident commission agents representing the world's principal toy manufacturers. The market justifies such attention from exporters because domestic production is negligible, import duties are low, and dollar payments are unrestricted. These favourable trading conditions pushed the value of imports up 35 per cent in the last three years to a record high of $6 million in 1954.

All employers must pay substantial Christmas bonuses to workers under federal law and with this extra cash in circulation, Yuletide holidays are gay days of free spending. A shopping tour of the toy stores convinces a family man that the children must be well provided with playthings. And the toy business is quite steady throughout the year as birthdays and saints' days are occasions for parties—and for presents.

What the Customer Likes

Mechanical toys with bright colours and attractive appearance have special sales appeal. Quality must be apparent in the construction; low price alone will not influence purchases. Wheel goods such as tricycles, scooters and wagons, with plenty of gleaming accessories, sell well. A sturdy vehicle which justifies a higher price tag is usually selected in preference to the lower-priced models.

Venezuelan boys are uniform conscious, with a preference for the old favourite, cowboy suits. Space suits with all the equipment run a close second. Carnival holidays in February are celebrated in fancy costumes and no expense is spared for the children's attire. Girls can choose dolls from a tremendous array of sizes, shapes, dress, and unusual features. The novelty types, those which have something new to offer, attract the biggest sales. Most of these market characteristics are equally true for North America and export business to Venezuela for Canadian firms requires little adjustment in sales promotion.

Method of Sale

A resident commission agent is the best representative for a foreign toy manufacturer. The merchants prefer to buy for their own account and to sell direct to the retail customer. The agent calls on these firms with a full line of samples, literature, and c.i.f. Venezuelan port prices. He forwards the orders to his principal with tariff item and proper description to ensure correct shipping documentation. A credit report on the customer is included to justify the 30, 60, or 90-day terms which are common for toy sales. A good agent will assist in collections if necessary, but none will guarantee any accounts.

The prominent position of the commission agent as the only intermediary between foreign manufacturer and local retailer gives the toy wholesaler a minor role. A few wholesalers service small accounts in the interior but they do not warrant an exclusive sales arrangement with an exporter because of their restricted sales area.

Origin of the Imports

The United States, Japan and Germany improved their trading position in this line in 1954 over the previous year, but imports from Italy, United Kingdom, and Canada declined.

VENEZUELAN IMPORTS OF TOYS, DOLLS, AND SPORTING GOODS

(US$1.00 equals 3·35 Bolivares)

Country	*1953*	*1954*
United States	Bs. 7,618,000	Bs. 9,416,000
Japan	3,186,000	4,416,000
Germany	2,917,000	3,560,000
Italy	1,526,000	1,467,000
Belgium	137,000	581,000
United Kingdom	800,000	623,000
Czechoslovakia	152,000	200,000
CANADA	255,000	188,000
France	59,000	150,000
Others	361,000	466,000
	Bs. 17,011,000	Bs. 21,067,000

57627—3½

These statistics reveal the insignificant share of the market held by Canadian manufacturers—only 0·9 per cent of the total in 1954. The Japanese have a firm hold on small, low-priced toys and it would be difficult for Canadian exporters to compete for this business. Disregarding this 20 per cent of the total, there is a market worth about $4·8 million where Canada can compete. Our toys have a reputation in Venezuela for good appearance and durability but there are not many Canadian trade names on the market. Good agents are available for offers of toys, dolls, sporting goods and novelties. Naturally agents are more attracted to offers of a complete line or a comprehensive group of toys. These give a better return than single items or limited lines.

Cultivating the Ethiopian Market

Rising exports and the change-over to the growing of cash crops promise well for future business with Ethiopia. Canadians should gain from a patient, long-term cultivation of sales prospects there.

M. R. M. DALE, *Commercial Secretary, Cairo.*

SIX WEEKS AGO, Canada and Ethiopia signed their first trade agreement. Speaking generally, this means that each country extends to the other most-favoured-nation-treatment, and it should affect favourably both our sales to and our purchases from that country.

On the whole, Canadian products are not well known to Ethiopian consumers. There are increasing opportunities, however, for selling consumer products and capital goods in this stable and flourishing Empire. Income from exports has risen continuously over the past few years. Imports have not increased to the same extent but the potential demand for articles from abroad will gradually increase as the country changes over from a system of subsistence agriculture to cash crop production. This is a good time, therefore, for Canadian manufacturers to consider the Ethiopian market seriously.

Until recently, Addis Ababa was the only important marketing centre in Ethiopia, with local retailers acting as importers. However, with the expansion of the economy and improved transportation both by road and air, a number of other centres are becoming important. In addition, the federation with Eritrea, which made it a part of the Empire, extends the market to the city of Asmara and to the expanding ports of Assab and Massawa. To take advantage of this growing market, Canadian principals would be well advised to visit the country to examine sales possibilities personally.

In honour of the Emperor's Silver Jubilee, the Ethiopian Government has arranged to hold an Economic and Cultural Exhibition in Addis Ababa from November 12 until December 4, 1955. Its purpose is twofold—first, to honour His Imperial Majesty for the progress achieved by Ethiopia during his reign, and second, to provide a common meeting-ground for traders in products both local and foreign and thus promote Ethiopia's internal and external trade.

A number of foreign governments and firms have already indicated their desire to participate. This Exhibition will provide an excellent opportunity for Canadians to acquaint Ethiopians with their products.

Coffee Is Leading Export

The rise in Ethiopia's exports over the past years is due solely to the coffee market. Over the past ten years, the volume of coffee exported has trebled and the value has increased almost ten times. Most of Ethiopia's coffee grows wild in the forests but considerable work has been done to develop plantations, to improve the quality of the coffee harvested, and to introduce a system of grading. There can be little doubt, therefore, that production of coffee in Ethiopia will continue to increase even if the world price of coffee falls.

Total exports for the year reached a value of Eth.$174,-622,688; coffee contributed Eth.$112,370,921. Other exports included hides, sheepskin, beeswax, honey,

cattle, edible oils, cereals and pulses, and chillies. The United States is Ethiopia's best customer, taking about one-third of the total exports, with Italy taking over one-eighth and the United Kingdom one-tenth. It is also significant that, because Ethiopia's sales to the United States have exceeded her purchases in recent years, she has been able to build up a substantial reserve of U.S. dollars.

Of recent years the value of Ethiopia's imports has also increased but not as rapidly as her export income. The difference has accumulated as savings. The types of goods imported have broadened. Imports of non-essentials have increased more than imports of essentials which suggests that increased purchasing power has not yet reached a high percentage of the population. Import of textiles has increased but emphasis has been on better-quality goods and on colourful artificial silk manufactures. Some industrial machinery for oil mills, sawmills, tanneries, etc., has been imported, plus road machinery and trucks. The number of motor cars has increased substantially and sales of farm machinery are becoming important.

Total imports for the year ended September 1954 (Ethiopian calendar year 1946) amounted to Eth.$155,176,409 compared with Eth.$30,217,615 ten years ago. Italy has become the most important supplier, followed by India, the United States and the United Kingdom. Italian and German companies have shown great interest in the Ethiopian market and have been successful in selling vehicles, machinery and hardware products, as well as a wide range of consumer goods. India's principal export has been cotton textiles but she is experiencing severe competition from Japanese artificial silks. The United States supplies raw cotton, automobile tires and woollen manufactures; imports from the United Kingdom consist mainly of sugar, cotton goods, industrial machinery and vehicles.

Trade with Canada

Canada's purchases from Ethiopia in 1954 were valued at $96,731 and consisted entirely of coffee. This represented a notable increase over the $43,582 of 1953 ($37,261 of which was coffee). Last year, Ethiopia bought from Canada $117,673 worth of goods, a 100 per cent increase from the previous year, with tires well in the lead. The increase was the result of a relaxation in import controls in the latter half of 1954.

With the opening-up of the country and the general expansion in agriculture, sales prospects should improve further. For the most part—as, for example, in the case of farm machinery—the market must be considered in terms of ten years hence. Nevertheless, this early introductory period may prove important.●

Gasoline from South African Coal

PRELIMINARY OPERATIONS have begun in the South African Coal Oil and Gas Corporation's plant to produce gasoline from coal. The Government has invested £30 million in the SASOL project, which will have an ultimate capacity of 55 million gallons a year. The gasoline will be marketed through local distributors. Coal resources at SASOL's colliery are sufficient to keep the plant in full operation for at least a hundred years.

To produce gasoline by this process, oxygen mixed with steam and coal is passed through a gasifier to obtain a mixture of carbon monoxide and hydrogen. Then the crude gas stream is treated to remove sulphur and other impurities before it is fed into two synthesis units for conversion into hydrocarbons. The necessary oxygen will be produced from liquefied air.

SASOL's project has a twofold importance for the Union—a domestic supply of gasoline will mean large savings in foreign exchange, and the by-products will stimulate the chemical industry. These by-products will be:

- *Gas naphtha,* to be broken down into a series of solvents—benzine, toluene, xylene and solvent naphtha which will be purified and stabilized by catalytic hydrogenation. Output will reach half a million gallons of benvole and a quarter of a million gallons of each of the three higher boiling solvents. For the present, SASOL does not plan separation into very narrow fractions.

- *Crude tar*—providing approximately one million gallons of wood preservative creosote, as well as road-making materials and, it is hoped, cresylic creosote. The quantity of crude tar and its content of heavier constituents will be relatively small and only a minor quantity of road-making material will be available.

- *Ammonia*—about 9,000 tons a year will be produced and converted to 35,000 tons of ammonium sulphate for local fertilizer factories.

- *Alcohols, ketones and paraffin waxes*—these will be of interest to manufacturers of plastics and paints as well as to the chemical industry.

SASOL will not process the by-products; it will remain a supplier of raw materials to the chemical industry.

—A. W. EVANS,
Trade Commissioner, Cape Town.

Exchange and Import Controls Abroad

How do exchange controls and import regulations operate in the non-dollar, non-sterling countries? Here are clear, succinct answers to the many phases of this question.

J. R. DOWNS, *International Trade Relations Branch.*

A PREVIOUS ARTICLE (see *Foreign Trade* of June 11) answered questions often directed to the Department of Trade and Commerce about exchange and import controls of the sterling area, as these affect payment for Canadian exports. Here is a similar "quiz" on control arrangements maintained by major countries of the non-sterling, non-dollar world.

Q. *The European Payments Union has been mentioned. What exactly is this arrangement, and how does it affect the conditions of payment for Canadian exports?*

A. EPU, as it is called, is a clearing and credit arrangement maintained by 15 member countries (Austria, Belgium, Denmark, France, Germany, Greece, Iceland, Italy, Netherlands, Norway, Portugal, Sweden, Switzerland, Turkey and the United Kingdom), together with their currency areas.

The Union enables one member to use currency received from another to buy from a third member. For example, France can use its receipts of Italian lira to buy goods from Greece or from any other EPU member.

The EPU countries also participate in the Organization for European Economic Co-operation which is, in a manner of speaking, the "parent" of the EPU. The OEEC has a program for the liberalization of trade between the member countries and the dollar area. The OEEC countries as a group were extremely short of dollars after the war. They have found it advantageous to work together to restore multilateral trade and to relax import controls and discrimination against dollar goods as rapidly as possible. Each member country maintains its own exchange and import regulations, but they are co-operating in a program for eventually attaining full convertibility between their respective currencies and the dollar. Once this objective is achieved the automatic provisions of EPU will no longer be necessary. Canada and the United States are associate members of the OEEC.

Q. *Does each member country maintain its own exchange and import regulations?*

A. Yes. In general, each dollar-short country has individually regulated, through import controls and similar measures, the amount of its money which can pass into the hands of non-residents. These countries also control the uses to which their money can be put. The OEEC countries consult with one another periodically for the purpose of reducing controls affecting trade. A great deal of progress has been made toward convertibility by relaxing import restrictions on dollar goods. The OEEC countries in general recognize that it is in their own interest to eliminate discrimination and re-establish trade on a broader multilateral basis.

Q. *What is meant by full convertibility? The word "convertibility" seems to have several meanings, and in fact it is rather ambiguous.*

A. By full convertibility we mean virtually complete freedom to earn the currency of a country by ordinary business transactions without quantitative restrictions on trade, plus freedom to use such currency as the individual owner sees fit. This naturally includes freedom to exchange one currency for another. In order to attain full convertibility the economy of a country must be competitive.

It is apparent that full convertibility can be approached by steps. For example, import controls can be removed by stages. Restrictions on the use of a domestic currency can be eased from time to time. This is the course followed by a number of the OEEC countries during the past few years.

Some countries have moved farther along the road to liberal trading practices than others. The large trading nations in particular desire to have as many countries as possible free their trade and payments at about the same pace, or move collectively towards full convertibility. In this way a country which makes its currency convertible will also gain from freer trade practices on the part of neighbouring nations and will

face less risk of discrimination against its trade by countries whose currency remains inconvertible.

Thus there can be degrees of "convertibility" since there can be more or less freedom for trade and payments conducted in the ordinary course of business. The general trend is toward more freedom.

Q. *How would Canadian exports benefit from full convertibility for a number of major countries?*

A. Export trade would benefit in two ways. First, the countries establishing convertibility would eliminate discriminatory import controls. Second, countries retaining inconvertible currencies would no longer find it advantageous to discriminate against dollar goods. Canadian exporters would therefore have greater opportunities to compete abroad.

Q. *Does it appear likely that some countries will retain inconvertible currencies even after the main trading countries have established a more liberal trade and payments system? If so, how would this affect Canadian exports?*

A. Under-developed countries may retain import controls for a longer period in order to protect their balance of payments. Such countries desire to spend what foreign exchange is available to them on goods essential to their development. Once a more broadly based system of multilateral trading is in effect, these countries would find it more than ever to their advantage to buy where supplies are cheapest and the prospects for our exports in such markets would depend upon commercial considerations. As these countries develop their resources and are able to afford a greater variety of imports, it would be profitable for them to join as fully as possible in multilateral trade. There are therefore good grounds for thinking that full convertibility will help our exports not only in our major markets but also, in the course of time, in other markets which have a vast potential demand for the kind of goods Canadians can produce competitively.

Freer trade would also be of great value to the under-developed countries, since it would promote commercial opportunities for them, as well as greater international confidence and a freer flow of capital.

Q. *On the whole, does the establishment of a multilateral trading world appear to be a matter of time? The European countries have required time to recover from wartime dislocations, and the under-developed countries also require time to raise the output of their industries. Is that correct?*

A. That is a large part of the picture. These groups of countries have felt it necessary to ration temporarily their foreign spending by means of exchange and import controls until such time as their production and their competitive position recover. There is always the danger of building up high-cost industries which would not be competitive without the shelter of quantitative and discriminatory controls on imports. Many of the countries concerned have recognized that this was not in their own interest. Hence the move to introduce an ever greater measure of international competition into their domestic economies has become more pronounced in recent years. When this process is completed, import and exchange controls will no longer affect the level of trade conducted by most countries. Such controls may affect the composition of imports for some under-developed countries for a further period, but are not likely to affect the source from which imports are obtained.

Q. *What means are there of ensuring that trade liberalization will continue? Isn't there some danger that the non-dollar countries will stop short of complete liberalization and retain some measure of discrimination indefinitely?*

A. The free nations of the world have gained a great deal of experience in constructive consultation and in reaching co-operative solutions of mutual problems in recent years. From the trade point of view the most important institution for this purpose is the General Agreement on Tariffs and Trade. All of the important trading countries of the world are members of the GATT and this agreement has greatly assisted efforts to reduce all kinds of barriers to the flow of trade. There are also other international institutions in which numerous countries co-operate in establishing sound domestic and international economic conditions, such as the International Monetary Fund, the World Bank and various agencies of the United Nations.

The habits of consultation and co-operation among nations are the best possible guarantees that the move towards a multilateral world will continue. The advantages of freer trade are very great and the self-interest of the trading countries of the world will always be a powerful factor favouring liberal international policies.

Tour of Territory

K. F. NOBLE, Trade Commissioner in Johannesburg, plans to visit Laurenço Marques and Beira in Portuguese East Africa, and Durban, Umkomaas, Umbogintwini, Pietermaritzburg and Tugela in Natal, during late July and August. Businessmen interested in these places should get in touch with Mr. Noble as soon as possible.

CANADA
in foreign markets

In Venezuela—Against a background of modern buildings in Caracas, the capital city, a Canadian-made aluminum ladder is used by a workman to inspect a street lamp.

In Singapore—On Sago Street, a cloth vendor displays his stock to a customer by the light of a naphtha gas lamp made by a Canadian company. A reliable lamp is essential to this merchant who opens his shop every night by the roadside.

CANADIAN SHOES form part of a mobile sales unit serving outlying areas in several parts of Africa . . . cattle raised on a farm in Ontario are flown to South America to improve the breed of local stock . . . passengers using the Philippines Airlines ride in comfort in aircraft made in Canada . . . codfish clearly labelled as coming from Newfoundland is on sale in a fish market in Spain. These are some of the many Canadian products to be found on sale or in use today in every corner of the globe.

A glance at the commodity classifications of the Canadian trade statistics will indicate the wide range of our exports. Some of these—like aluminum, lumber, newsprint, wheat, furs and fish products—come readily to mind. It is often surprising, however, to find overseas markets developing for such diverse Canadian items as radioactive cobalt beam therapy units, pianos, wallpaper, synthetic fabrics or asbestos pipes.

Beginning with this issue *Foreign Trade* will present, from time to time, a selection of pictures illustrating some of these Canadian products in world markets. The photographs shown will cover raw materials and manufactured products in both the consumer goods and capital equipment fields. While we cannot illustrate in this way the extent of our trade, we hope that the variety of products covered will stimulate Canadian manufacturers and exporters to explore the possibilities of foreign markets for their merchandise and equipment.

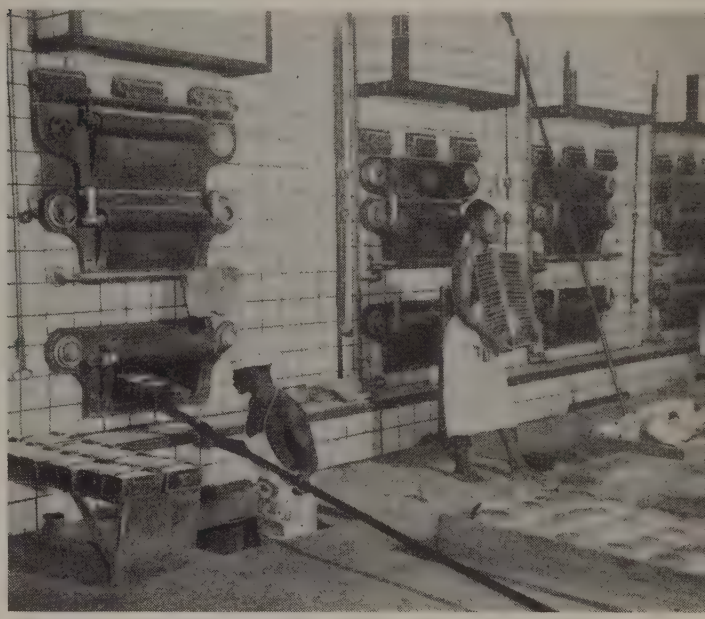
Photographs Wanted

The success of this series of pictures will depend on the co-operation we are able to secure from Canadian exporters. We should like to have photographs of Canadian products actually in use or on sale in foreign markets. These pictures should be of general interest, suggest something of the atmosphere of the country concerned and by means of action, or in some other way, draw attention to the Canadian product. Although reference to individual firms will not be made in the caption, names or trade marks may of course appear in the photograph. The editor reserves the right to use or reject any pictures submitted and prints will not be returned unless specifically requested.

Photographs should be adequately captioned, properly protected for mailing and addressed to: The Editor, "Foreign Trade", Department of Trade and Commerce.

In the United States—Canadian spruce dimension lumber and roof trusses, and British Columbia red cedar sidewalls shingle shakes were used to make the prefabricated house for a United States family, shown here in process of erection.

In the Belgian Congo—Flour from Canada travels all the way to Africa where it is used in this modern-looking Congo bakery to make appetizing-looking bread and rolls.



In Spain—"Codfish from Newfoundland, None Better!" says the sign above this stall in the Alicante market in Madrid where Canadian codfish from the Grand Banks is sold.

In Ceylon—These Ceylonese fishermen are hauling in their trawl net which was made in Canada. The trawler from which they work is also Canadian and has been named "Maple Leaf". It was presented to the Ceylon Department of Fisheries under the Colombo Plan.

Italy Needs Canadian Fish

Though Italian fish landings have risen slowly in postwar years, demand for Canadian supplies continues strong, with salted codfish and Chum salmon well in the lead.

M. S. STRONG, *Commercial Secretary (Fisheries), Rome.*

ITALY HAS ALLOCATED DOLLARS for the import of Canadian fish during the 1955-56 season, but the success of sales will depend largely on the availability of high-quality codfish and Chum grade salmon. Fish imports into that country during 1954 totalled 106,069 metric tons, an increase of 9·4 per cent over 1953 (96,910 tons), but 16·8 per cent less than in 1952 (127,751 tons). In that year, however, imports of salted codfish and stockfish were unusually high.

The general pattern of imports showed little change during the past year. Salted codfish continued to head the list, followed by fresh and frozen fish, canned sardines and anchovies, and canned tuna.

Modernizing the Fishing Fleet

Italy emerged from World War II with a badly depleted fishing fleet; the vessels which survived were old and used obsolete means of propulsion. In the postwar years the industry has carried on a program for the steady modernization of the fleet, aided by a number of government measures which provided subsidies. The most recent of these—the Act of August 6, 1954—authorized an allocation of Lire 200 million (approximately $317,500). It was to be used for the following—building and modernization of fishing vessels; installation of plants for the processing of fish products and by-products; setting-up of plants for the manufacture of nets and other fishing equipment; building and improvement of wholesale markets; provision of workshops for repairs to vessels, etc.; purchase or renewal of nets and other equipment and of shore and floating refrigeration facilities.

At the end of 1953, the Italian fishing fleet consisted of the following types of boats:

Motor trawlers	2,555	Totalling	59,685	gross	tons
Motor boats	4,804	"	16,015	"	"
Sailing and other boats	36,724	"	54,271	"	"
Total	44,083	"	129,971	"	"

Italian Production

The revitalization of the fishing fleet has resulted in a gradual increase in production, as seen from the following figures:

1949	130,969	metric	tons
1950	136,747	"	"
1951	137,023	"	"
1952	162,407	metric	tons
1953	155,979	"	"
1954	157,680	"	"

According to semi-official figures, approximately 118 thousand persons were employed in coastal and deep sea fishing at the end of 1953.

Fishing is carried on along the entire 4,367 miles of Italy's coastline, but certain areas are more productive than others. Of great importance is the Adriatic coast where, in 1953, 35·4 per cent of the total production

Salted codfish from Canada on sale in a typical Neapolitan shop. Italians like our salted cod, because it keeps well in a country where there is little refrigeration and because it provides a low-cost, high-protein diet.

of fish and 50 per cent of the molluscs and crustaceans was landed. The richest fishing grounds are on the eastern Adriatic adjacent to the Yugoslavian coast, but in the postwar years Italian fishing operations in this area have been restricted. If, in the near future (as appears probable), an agreement on fishing rights is concluded between the two countries, Italian production in this area will probably increase.

Salted Codfish

Because of its high protein content and keeping qualities which help distribution in areas where there is little or no refrigeration, salted codfish has always ranked high among Italian foodstuffs imports. Wet-salted or salt-bulk cod is the most extensively consumed, although light salted hard dried and Labrador cures are preferred in certain areas of the country. For over a century, Canada has been the main source of supply for these types, which come from the Gaspé and Newfoundland coasts.

The following statistics show the amounts of codfish imported during the past three years, with countries of origin:

	1954	*1953*	*1952*
Denmark	11,315	8,466	23,992
France	8,326	4,073	4,392
Iceland	12,467	12,104	15,891
CANADA	4,276	6,718	5,505
West Germany	1,160	.....	.....
National ocean fisheries	3,730	3,814	.....
Other sources	2,056	1,828	8,486
Total	43,330	37,003	58,266

Quality plays an important part in the successful marketing of hard dried salted codfish in this country. Demand for the top grades of light salted Gaspé and Newfoundland shore qualities is strong because these cannot be obtained from other sources of supply. Heavy salted dried cod is supplied in quantity mainly by France, which doubled its exports to this market in 1954. The French product competes strongly with the lower grades of Canadian light salted hard dried cod and because it is considerably lower in price, may well threaten the Canadian trade in this market unless the high quality of the Canadian product is maintained.

Canned Salmon

The annual increase in exports of Canadian canned salmon to Italy in the past few years, together with the fact that stocks currently held by importers are not considered heavy, augurs well for the coming season.

Imports of Canned Salmon

(metric tons)

	1954	*1953*	*1952*
Canada	1,361	1,156	957
Other countries	33	44	45
Total	1,394	1,200	1,002

The Italian market requires over 90 per cent Chum grade salmon. Because of the price factor, there is only a small demand for Pink and Red.

Prospects for Season

The Italian Ministry for Foreign Trade will make available Can.$2 million for the purchase of Newfoundland shore and Labrador cod, $600 thousand for hard dried slack salted Gaspé cod, and $2½ million for Canadian salmon—to be used before June 31, 1956. These amounts should be ample to cover the market requirements for these types of fish in the coming season.

Mexico Sells Henequen to Canada

Canada normally spends a million dollars a year on Mexican henequen, buying as much from Mexico as from any other country. However, only recently has there been any tendency to buy directly instead of through agents in the United States. The practice of indirect purchasing is revealed by the fact that no sales to Canada appear in Mexican official foreign trade statistics, although Canadian figures show an average of about $1 million. Indeed, Mexico was Canada's biggest supplier ($1·2 million) in 1953. There is also a small but growing trade in binder twine made in Mexico. Inquiries made at the Canadian Embassy in Mexico City show that Mexican producers are keenly interested in making direct sales.

Ninety per cent of Mexican henequen is grown in the Yucatan Peninsula, the bulk of it (73 per cent) on "ëjido" lands which are owned communally but farmed in individual parcels. Methods of cultivation and marketing now are being radically improved with the help of Federal Government credits.

The following comparative figures of henequen production and exports were issued by the National Bank of Foreign Trade, a government agency:

Year	*Production*	*Exports*
	(metric tons)	
1948	*111,563*	*54,922*
1952	*86,155*	*23,872*
1953	*79,175*	*30,345*
1954	*96,400*	*25,065*

The growing demand for henequen products, coupled with competition from raw fibre producers in Africa, Brazil and Haiti, has caused some changes in the export picture in recent years. Until 1951, well over half the henequen crop was exported as raw fibre, but now 70 per cent of it is sold within the country for the making of rope, twine and sacking. However, as compared with Canada's annual purchases of about 7,500 tons, some 30,000 tons of raw fibre will remain available for export each year.

General notes

Australia

PLANT FOR ALL-AUSTRALIAN CARS—An executive of the American Motors Corporation has announced that his firm hopes to turn out complete Australian-made cars within five years. The Corporation, the executive said, has working capital of $90 million and is investigating the possibilities of building a huge assembly plant. Both United States and Australian capital will be used—Sydney, June 13.

BUSINESS OUTLOOK—Prosperity in Australia still outweighs economic strain, but some serious problems are being faced. Wool proceeds during the last ten months were down £49 million compared with last year. This has been the major cause for the overall fall in Australia's exports. This year capital equipment imports have risen substantially. The resulting gradual lowering of Australia's overseas funds is viewed with concern by economists and has led to suggestions that Australia should embark on a policy of further encouragement to local industry. Faced with the possibility of a balance of payments deficit of roughly £150 million, business is measuring the obvious buoyancy of the year against credit stringency and mounting costs. This has resulted in a sharpened awareness of short-term trends but shows no lack of confidence in the long-term prospects—Sydney, June 10.

Brazil

POWDERED MILK PLANT—Powered milk is to be manufactured at Leopoldina, State of Minas Gerais, in a factory financed by the Ministry of Agriculture which will contribute ten million cruzeiros, and by the United Nations Children's Fund which will provide $280 thousand in equipment. Daily production capacity will be 5,500 kg. and the first deliveries are planned for the middle of next year. A second factory will be built later on at Pelotas, Rio Grande do Sul—São Paulo, June 13.

Burma

TEA FACTORY—The Industrial Development Corporation of Burma, in conjunction with a British firm, is planning to open a tea blending and packing factory in Burma this year. The British firm will assist the Government of the Union of Burma to purchase from India, Ceylon and other sources the tea required for blending with the indigenous product. It will also advise on the purchase of processing equipment, procurement services and training facilities for Burmese nationals as tea tasters and blenders —Singapore, June 15.

Greece

FURFUROL FACTORY PLANNED—Permission to invest the equivalent of $3·16 million in German capital has been granted to a German firm co-operating with Greek industrialists to establish a factory on the Island of Crete for the manufacture of furfurol from olive crushings. Furfurol is one of the main ingredients in the production of artificial yarns and nylon and is also used in aviation petrol. It is estimated that the export of this product should earn the country foreign exchange to the value of $1 million a year—Athens, June 14.

Hong Kong

TRADE IMPROVES—Hong Kong's trade in the first four months of 1955 was 11·4 per cent higher than in the same period last year. Official statistics report the total value of merchandise trade from January to April, inclusive, was HK$2,035·6 million, compared with the 1954 figure of HK$1,828·1 million. Value of exports during the period totalled HK$790·8 million—a 2·9 per cent increase over January-April 1954. Imports were valued at HK$1,244·8 million, 17·4 per cent above last year.

Cargo tonnage figures, available only for the first quarter of 1955, emphasize the improvement. Total cargo discharged in the Colony from January to March, inclusive, was 907,463 long tons, compared with 701,194 tons in the same months of 1954. Total cargo loaded was 376,827 tons, as against 346,014 last year—Hong Kong, June 10.

Mexico

TEXTILE PLANT—A Japanese textile manufacturing concern, Tayoda, will invest $4 million in a Mexican plant for the manufacture of textile machinery, the Chamber of the Textile Industry has announced. A government agency, Nacional Financiera, also will invest in the plant at Irolo, State of Hidalgo. The Chamber added that the Tayoda interests were negotiating for the purchase of the

Santa Gertrudis cotton textile mill at Orizaba, which has been closed for some months—Mexico, D.F., June 14.

Northern Ireland

BUDGET PRESENTED—Presenting his Budget for 1955-56 in the Northern Ireland House of Commons on May 18, the Minister of Finance estimated total revenue at £83,820,000 and total expenditure at £72,769,000, leaving a balance of £11,051,000. After allowing for an Imperial contribution of £11 million, compared with £12·5 million last year, a surplus of £51,000 will remain in the Exchequer. The cut of £1·5 million in the Imperial contribution is mainly due to provisions being made for agricultural grants, measures to combat unemployment and certain capital expenditure. No changes in taxation were included in the Budget. The yield of £67,429,000 anticipated from reserved taxes in the current year shows an increase of £6 million compared with a year ago, and is the highest revenue yet estimated for Northern Ireland—Belfast, June 22.

South Africa

NATIONAL INCOME—The Union's net national income for the year ending June 30, 1954, amounted to £1,375·5 million, an increase of 7·1 per cent over the previous twelve months. The largest single factor in this aggregate was private industry which contributed about £359 million, followed by agriculture, forestry and fishing, £258 million; distributive trades, £201·5 million, and mining, £178·5 million. In each of the last two years, about 58 per cent of income has consisted of salaries and wages, the balance comprising trading profits and interest on capital—Johannesburg, June 17.

IMPORT QUOTA FOR VEHICLES—A supplementary sum of £4·75 million has been allotted to motor car assemblers to step up imports of motor vehicles during the current calendar year. Additional quotas outside of this lump allocation are foreseen for retail importers to further relieve the shortage of spare parts and maintenance items—Johannesburg, June 17.

IMPORTS AND EXPORTS—Value of South African imports during the first two months of this year increased to £75·6 million from £69·3 million for the same period last year. Exports (excluding gold), at £57 million compared with £51·5 million, were also substantially higher. The rise in imports reflects the relaxation of import control; the jump in exports reflects increased shipments of maize, diamonds and fissionable materials—Cape Town, June 15.

Taiwan

BARTER PACTS—Taiwan has just concluded barter agreements with Japan and France. The deal with Japan contemplates an exchange of goods worth US$94 million, each way. Taiwan will offer mainly sugar and rice against a variety of Japanese products, the most important of which will be chemical fertilizers.

The arrangement with France duplicates 1954's barter agreement, calling for trade worth US$10 million each way. Taiwan will exchange principally green tea for French manufactures, chiefly chemicals —Hong Kong, June 10.

United States

ATOMIC POWER PLANT—Chicago's electrical utility company has announced plans to build its first atomic power electricity plant some 47 miles southwest of the city. It will have a net capacity of 180 thousand kilowatts and will cost $45 million. Scheduled to be completed in five years, it is expected to produce electricity at costs competitive with new coal-fired generating units in the Chicago area—Chicago, June 24.

West Germany

GOLD AND FOREIGN EXCHANGE RESERVES DOUBLE—The German Central Bank reserves of gold and foreign exchange rose by over DM6·5 billion, or 13 per cent, in the last two years. Gold reserves, which amounted to only DM587 million on December 31, 1952, reached DM2·73 billion on January 31, 1955. At the same time, assets with foreign banks increased from DM3·97 billion to DM7·84 billion, and the amount of other foreign currencies, bills and cheques from DM336 million to about DM870 million. This brings the total reserves to DM11·44 billion and means that the active circulation of notes is backed 86 per cent by reserves —Bonn, June 21.

FOOD PRODUCTION DOUBLED—West German farmers have succeeded in their campaign to increase food production. According to the publication *Agricultural Information Services,* West Germany's food production has been raised 100 per cent in seven years. While the food production amounted to an equivalent of 19·4 million tons of grain in 1947-48, it increased to a record high of an equivalent of 40·15 million tons of grain in 1954-55. This represents an increase of 21 per cent above the average production for the years 1935 to 1938—Bonn, June 23.

Banking Abroad

ITALY

W. R. VAN, *Commercial Secretary, Rome.*

THE HISTORY OF ITALIAN BANKING is a long one; there are banks operating today which date back to the 15th and 16th centuries. However, before the unification of Italy in 1870, the separate states had their own banking systems geared to their divergent economies. Following the emergence of Italy as a united kingdom, a new banking system geared to the national economy rather than to regional economies evolved gradually.

The Bank Acts

The Bank Act of 1926 was the first real form of bank control in Italy. It required registration of banks with the Ministry of Finance, and new registrations were permitted only with the approval of the Central Bank and the Ministry of Finance, and when capital and reserves reached the required minimum. Banks had to place with the Central Bank, in cash or government securities, all deposits exceeding 20 times the amount of their capital. Credit to any single client in excess of one-fifth of their capital was prohibited.

The Italian banking system was given its final legal and functional pattern in the Bank Act of 1936 and subsequent amendments. In brief, the Banking Act of 1936 dealt with the collecting of savings among the public in any form and the exercise of credit, both of which were considered matters of public interest to be safeguarded. Of major importance in the Bank Act of 1936 was the introduction into the credit system of a rigid classification of the different types of lending institutions into two groups, with each governed by specific provisions. An almost complete division was made between institutions authorized to engage in short-term credit operations and those permitted to deal in medium and long-term credit. Within the first group were the banks proper and in the second, financial institutions.

The Central Bank

Topping the pyramid of Italian banking is the Central Bank known as the Banca d'Italia. This bank was established in 1893 as a privately-owned organization but, through a gradual evolution, it became the chief amongst Italian banks. Its position as Central Bank was crystallized in the Bank Act of 1936. The Bank of Italy differs from the Bank of Canada in that it performs certain limited normal banking functions and thus competes with other established banks. For instance, it may accept time and demand deposits and also advance short-term credit.

The custody and administration of the Italian Government's gold and foreign currency reserves were entrusted to the Bank of Italy in 1927. Although the gold purchased by the State is still administered by the Banco d'Italia, foreign exchange matters are now subject to the Foreign Exchange Control Board.

Foreign Exchange Control Board

The Board is both connected with the Central Bank by charter and financed by it. Nevertheless, it actually administers foreign exchange according to market requirements and the monetary policy it has decided to adopt.

Italian exporters must cede to the Italian Foreign Exchange Control Board 50 per cent of the foreign exchange entering Italy as a result of their sales. Italian importers may apply to the Board for foreign exchange needed to pay for approved operations authorized under the regulations.

Other Banks

Falling in behind the Central Bank, the banks of "public law" and the banks of "national interest" are of greatest importance from the point of view of foreign exchange operations. After these two main groups come other banks interested only in regional and interregional activities. Included are the ordinary commercial banks, popular banks and savings banks.

Public Law Banks: These are now six in number—

Banca di Sardegna
Banco di Napoli
Banco di Sicilia
Instituto Bancario di S. Paolo di Torino
Monte dei Paschi di Siena
Banca Nazionale del Lavoro

All have extensive networks of branch offices throughout Italy. Their name as public law banks derives from their public character. The Banca Nazionale del

Lavoro, the most recently established, dates back to 1913 and has over 98 per cent of its stock controlled by the State.

The business transacted by these banks is basically similar to that carried on by all commercial banks, although all have certain privileges in the granting of loans, with the exception of the Banca Nazionale del Lavoro.

All public law banks are considered agent banks with reference to foreign currency operations.

Banks of National Interest: The Banca Commerciale Italiana, the Banco di Roma, and Credito Italiano are so designated by government decree in that they have branch offices in at least 30 provinces. The banks are now state-controlled and are generally considered the leaders in the commercial field. They perform all the operations of a modern commercial bank.

Apart from their extensive branch coverage of Italy, they have well-developed networks of branches, affiliations, and correspondents abroad. These three banks are the foremost agent banks for foreign currency transactions.

Italian banks handling foreign transactions follow the usual international procedures.
Documents should be forwarded to branches in the principal centres, including Milan, Rome, Naples, Turin, Genoa, Florence, Palermo, Bari, Venice and Trieste.

trade commissioners on tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions here and to renew their contacts with businessmen. Details of their itineraries appear under this heading, as a service to exporters and importers who wish to discuss trading problems with them.

S. G. MacDONALD, Commercial Counsellor in Rome, Italy, began his Canadian tour in Ottawa on April 25th. His itinerary is:

Victoria—July 11
Edmonton—July 14

V. L. CHAPIN, Commercial Secretary in The Hague, Netherlands, began his Canadian tour in Vancouver, June 6-8, and Victoria, June 9. His itinerary is:

Kingston: Brockville—July 11
Montreal—July 12-20
Halifax—July 22
Moncton: Charlottetown—July 25
Fredericton—July 27
Saint John—July 28

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Charlottetown, Halifax, Montreal, Saint John.

Chamber of Commerce—Brockville, Kingston.

Canadian Manufacturers Association—Edmonton, Moncton.

Department of Industry and Development—Fredericton.

Department of Trade and Industry—Victoria.

Taiwan Announces Trading Regulations

New commission, under direct control of Chinese Nationalist Government, now regulates foreign exchange allocations and foreign trade of Taiwan. Here are details on the new trading system and how it works.

T. R. G. FLETCHER, *Trade Commissioner, Hong Kong.*

FOUR MONTHS AGO, new foreign exchange and foreign trade regulations were announced in Taiwan by the Central Government, Republic of China. Supplementary details have since been issued and the essentials of the new system are now clear.

The responsibility for foreign exchange and the control of foreign trade is now vested in the Central Government and not, as formerly, in the Provincial Government of Taiwan. The executive Yuan, or cabinet, has deputed authority to an executive agency known as the "Foreign Exchange and Foreign Trade Control Commission". Its specific duties are:

- To formulate policies and plans concerning foreign exchange and foreign trade.
- To screen the use of foreign exchange.
- To co-ordinate its own activities with the United States program of economic aid.
- To correlate all agencies dealing with foreign exchange and foreign trade.

The new Commission has, broadly speaking, been charged with the task of trade promotion. In addition to the help it expects from its new foreign exchange regulations, the Commission is authorized to establish export floor prices, to formulate export standards and grades and to operate an export inspection service, and to encourage and supervise the production of export commodities with a view to reducing costs and improving quality.

Control of Imports

In import trade, the Commission is responsible for the official publication, at two-month intervals, of commodity import budgets giving the official allocations of foreign exchange for approved import fields. These budgets will be announced after considering supply and demand and the amount of foreign exchange, and after taking into account the authorizations for "commercial procurement" under the United States aid program. Thus each budget will combine votes of Chinese Government foreign exchange and FOA exchange.

Under the new regulations, this official import exchange will no longer be allocated according to past performance records. Henceforth, any properly registered private trader, end user, or government agency may seek an import licence, provided certain administrative provisions are satisfied.

Government agencies and public enterprises will apply direct to the Foreign Exchange and Foreign Trade Control Commission and when the applications have been screened, the Bank of Taiwan will be notified to settle exchange for all the approved applications. Private traders and private users will apply to the Bank of Taiwan. After preliminary review, the Bank will forward their applications to the Commission for final screening and possible approval.

Multiple Exchange Rates

The new foreign exchange control system introduces multiple exchange rates. These are expected to promote exports, regulate imports and help to correct the current imbalance in international payments account.

The Bank of Taiwan still deals in foreign exchange at the "official" buying rate of NT$15.55 per one U.S. dollar, or equivalent, and at the "official" selling rate of NT$15.65, *plus* the special defence surtax of 20 per cent ad valorem on import exchange (or an effective Bank selling rate of NT$18.78). But the new exchange control scheme introduces exchange certificates for prescribed types of transactions, which increase the official rate of exchange of the NT dollar. Though the exchange certificate has a single set official price, increasing percentages apply depending upon the export or import commodities involved. In practice, this means multiple exchange rates.

The regulations require that any resident must sell his foreign exchange receipts to the Bank of Taiwan. Receipts of government agencies, or those derived from the export of sugar, rice, salt and refined products of crude oil, must be sold to the Bank at the official Bank buying rate. All other inward remittances, including foreign exchange earnings from all other export transactions, must be sold at the Bank's buying rate. In

addition, the Bank of Taiwan will issue to the exporter a foreign exchange certificate according to a pre-established ratio (i.e., by whole units or percentages thereof, as prescribed), per monetary unit of the particular foreign currency.

Conversely, Taiwan residents must buy from the Bank of Taiwan all foreign exchange allocated to them. For government agencies or public enterprises not eligible to receive exchange certificates, or for imports for approved industrial reconstruction projects, or for daily necessities, the foreign exchange requirements will be settled at the Bank's official selling rate. Otherwise, any exchange needs will be settled at the Bank's selling rate and upon the surrender of a corresponding value of exchange certificate, again per monetary unit of the foreign exchange sought. The fixed price for the certificate was announced on March 8 at NT$6.00 per one U.S. dollar, or equivalent.

The sub-committee responsible for the exchange certificate will also establish the varying percentages that are to apply, depending upon the particular export or import commodities involved. Complete information has not yet been made public. However, the policy is that the percentage of exchange certificate parity for goods the export of which is "easy" will be low; it will be high where "sluggish" exports are concerned. Thus there will be greater incentive to develop new exports.

Other Regulations

Exchange certificates will be freely negotiable. They may be bought and sold by the Bank of Taiwan, private holders may use them to settle their own needs of foreign exchange, may sell them to a third party, or may sell them to the Bank to liquidate them. The certificate will be issued in different foreign currencies but they may also be converted to a different currency with the approval of the Bank of Taiwan. Exchange certificates can be applied against more than one import transaction if their total value permits, but they will expire after sixty days.

The new system is not a direct link system. Possession of an exchange certificate does not automatically entitle its holder to an import licence. Import authorization must be sought independently from the Commission and in all cases must be obtained before the seeking of foreign exchange. Once a trader has received approval for a proposed import transaction, he may apply for foreign exchange. He may then have to have an exchange certificate to surrender, depending upon the transaction.

trade and tariff regulations

Colombia

IMPORT CONTROLS—Extensive reclassifications of imports under the present exchange control system have been introduced. Numerous products previously classified as Preferential or Group 1 have been placed in a less favourable category. Import permits are now being granted for goods in the Preferential Group and Group 1, and such imports will be paid for with exchange at the official rate. Import permits for Group 2, 3 or 4 products are being granted for goods from all countries and will be paid for only with exchange at the free rate.
Detailed information on the import regulations and details of the present classification are available from the International Trade Relations Branch.

Cuba

SHELL EGGS EXEMPTED FROM DUTY—Exemption from duty has been granted to shell eggs weighing not less than 18 ounces per dozen. The exemption covers consular fees, customs duty and all other import charges, but excludes the sales tax of 6 per cent ad valorem which is collected on entry into Cuba. The duty-free period expires on July 15, 1955.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—It was announced on June 10, 1955, that the South African Board of Trade and Industries had received the following representations respecting the tariff:

Increase in duty on:

1. Hydraulic trolley jacks, from free of duty to 25 per cent ad valorem.
2. Bird cages, from 10 per cent to 25 per cent ad valorem.
3. Waterboring machines, from free of duty to 20 per cent ad valorem.
4. Baby carriages, from 5 per cent to 25 per cent ad valorem.
5. Toilet tissue paper for conversion into toilet tissue rolls, from free of duty to 20 per cent ad valorem.

Interested Canadian firms may wish to have their views on these tariff inquiries placed before the Board of Trade and Industries. The most effective method of making representations is to request their representatives in South Africa to act on their behalf before the Board. Since these matters are normally reviewed soon after the announcements are made, it is advisable to take action as soon as possible. Firms making representations may wish to use the services of the Canadian Trade Commissioners in Johannesburg and Cape Town.

United States

TARIFF NEGOTIATIONS WITH JAPAN COMPLETED—The United States announced on June 9th that tariff negotiations have been completed with Japan and that the reductions in United States rates of duty would be brought into force when Japan has been admitted into the General Agreement on Tariffs and Trade (GATT), probably about September 10, 1955.

The reduced rates will also apply to imports from Canada.

The tariff reductions made by the United States cover a fairly wide field, including items such as earthenware and chinaware, glassware, optical goods, bamboo articles, dried fish, canned tuna, cotton cloth, cotton sheets and pillowcases, silk goods, pearl beads, hat braids, buttons, dolls, toys, ornamental articles, jewellery, lace articles, rubber-soled footwear, flat leather goods, fishing tackle, thermos bottles, combs, and rubber products.

The following table lists the items of principal interest to Canadian exporters and shows the present United States rates of duty and the negotiated new rates.

Items of interest to Canada in the list of tariff reductions announced by the United States after negotiations with Japan. Expected to become effective about September 10, 1955.

Item	Present Rate	New Rate
Cobalt salts and compounds (other than cobalt oxide, sulphate and linoleate)	30 per cent	15 per cent
Rockingham earthenware	Various rates	
	7½ per cent	6¼–12½ per cent
Graphite or plumbago, crude or refined; amorphous	5 per cent	2½ per cent
Spectacle lenses, valued under $10 doz. prs.	40 " "	20 " "
Frames and mountings for photographic lenses, etc	45 " "	25 " "
Iron in pigs, if not containing over 0·04 per cent of phosphorus	60 cents ton	37½ cents
Alsimin, ferro-silicon aluminum, and ferro-aluminum silicon	2½ cents lb.	1¼ cents lb.
Steel chains, for power transmission—valued at 40 cents or more lb.	15 per cent	12½ per cent
Articles, n.s.p.f., wholly or in chief value of lead	15 " "	11¼ " "
Toothpicks of wood	25 " "	12½ " "
Baskets of bamboo	50 " "	25 " "
Turkeys, eviscerated, but not cooked	10 cents lb.	12½ per cent but not less than 5 cents lb. nor more than 10 cents.
Herring, smoked or kippered, if hard dry-smoked	½ cents lb.	5/16 cents lb.
Tree and shrub seeds	3 cents lb.	2 cents lb.
Vegetables, n.s.p.f., if cut, sliced, prepared or preserved	35 per cent	17½ per cent
Cotton sheets and pillowcases	20 " "	12½ " "
Cotton fish nets and nettings	40 " "	25 " "
Cotton manufactures, not specially provided for	30 " "	20 " "
Gill nettings, nets, ... of flax, hemp	25 " "	22½ " "
Bags and other articles, of paper specified in this tariff paragraph	5 cents lb. and 10 per cent	2½ cents lb. and 10 per cent
Hanging paper, coloured (wallpaper)	1 cent lb. and 10 per cent	½ cent lb. and 10 per cent
Sulphite wrapping paper, n.s.p.f.	20 per cent	12½ per cent
Papers, not specially provided for	30 " "	20 " "
Rubber balls (except golf and tennis balls)	30 " "	20 " "
Buttons, n.s.p.f.	45 " "	25 " "
Dolls and toys, cellulose, movable parts	1 cent and 60 per cent	½ cent and 30 per cent
Toy games, toy containers, favours, souvenirs	50 per cent	35 per cent
Footwear with fabric uppers and soles or rubber	35 " "	20 " "
Footwear with fabric uppers and soles of material other than leather or rubber	35 " "	25 " "
Flat leather goods—purses, card cases, etc.	25 " "	20 " "
Artificial baits and fishing tackle, n.s.p.f.	45 " "	25 " "
Manufactures of rubber, n.s.p.f.	25 " "	12½ " "

DUTY SUSPENSION ON METAL SCRAP CONTINUED—By Public Law 66 (84th Congress), approved June 8, 1955, metal scrap continues to be exempt from import duties until June 30, 1956, with the proviso that this exemption shall not apply to lead scrap or zinc scrap.

TARIFF INCREASE ON FESCUE SEED REFUSED—The United States Tariff Commission announced on June 22, 1955, the results of its "escape clause" investigation with respect to the tariff on red fescue seed.

The Commission found that the red fescue seeds are not being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products. The Commission, therefore, made no recommendation to the President for the withdrawal or modification of the tariff concession applicable to such articles.

The present United States rate of duty on red fescue seed is one cent per lb. United States imports from Canada were valued at $1,381,515 in 1953.

foreign trade service abroad

*** No Foreign Trade Officer at this post.**

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-8237
Argentina Paraguay, Uruguay	W. F. Hillhouse, Agricultural Secretary		
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	J. C. Britton, Commercial Counsellor for Canada C. M. Forsyth-Smith, Commercial Secretary	City Mutual Life Building, 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 5696
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada	83 William Street, MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	A. B. Brodie, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Bôite Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Counsellor K. G. Ramsay, Assistant Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. J. Van Tighem, Commercial Secretary H. M. Maddick, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165 RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	M. P. Carson, Consul and Trade Commissioner G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Garden, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* DOMCANADA *Tel.:* 91341
Chile	R. E. Gravel, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	A. P. Savard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25. Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	G. A. Browne, Commercial Secretary	Canadian Embassy, Edificio Motor Centre Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Denmark Greenland	C. F. Wilson, Commercial Counsellor	Canadian Legation 4 Trondhjems Plads, COPENHAGEN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Tria 1602

Territory	Officer	City Address	Mail and Cables, Office Telephone
Dominican Republic Puerto Rico	M. B. Bursey, Commercial Counsellor	Canadian Embassy, Edificio Copello 408, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Saudi Arabia, Yemen	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6 Sharia Rouston Pasha, Garden City, CAIRO	*Mail:* Kasr el Doubara Post Office *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	B. C. Butler, Commercial Counsellor for Canada R. Campbell Smith, Commercial Secretary	3 rue Scribe, PARIS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor Assistant Commercial Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Bonn 21971
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 74044
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner J. R. Midwinter Assistant Trade Commissioner	5a Avenida Sud, 10-68 GUATEMALA CITY	*Mail:* P.O. Box 444 *Airmail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
Haiti	Charge d'Affaires, a.i. and Consul	Route du Canape Vert, St. Louis de Turgeau, PORT AU PRINCE	*Mail:* P.O. Box 826
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner Assistant Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
India	Wm. Jones, Commercial Secretary	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
India	D. M. Holton, Canadian Government Trade Commissioner Assistant Trade Commissioner	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Budi Kemulian No. 6, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor for Canada	66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor M. S. Strong, Commercial Secretary (Fisheries) W. R. Van, Commercial Secretary	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842
Jamaica Bahamas, British Honduras	R. R. Parlour, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858

Territory	Officer	City Address	Mail and Cables, Office Telephone
Japan Korea	Commercial Counsellor R. F. Renwick, Commercial Secretary	Canadian Embassy, TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
Japan	Canadian Government Trade Commissioner	7th Floor, Crescent Bldg., 72 Kyomachi, Ikutaku, KOBE	*Mail:* P.O. Box 513 *Cable:* CANADIAN *Tel.:* 3-4617
Lebanon Iraq, Jordan, Persian Gulf Area, Syria	G. F. G. Hughes, Commercial Secretary	Canadian Legation, Alpha Building, Rue Clemenceau, BEIRUT	*Mail:* Bôite Postale 23 *Cable:* CANADIAN *Tel.:* 30794
Mexico	M. T. Stewart, Commercial Counsellor C. O. R. Rousseau, Assistant Commercial Secretary	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D. F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
Netherlands	V. L. Chapin, Commercial Secretary T. F. Harris, Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
Netherlands Belgium, Luxembourg	C. J. Small, Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Counsellor	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
Norway Iceland	J. L. Mutter, Commercial Counsellor	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71150
Philippines	Consul General and Trade Commissioner H. E. Lemieux, Vice Consul and Assistant Trade Commissioner	Canadian Consulate General, Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D, LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Rhodesia and Nyasaland Kenya, Tanganyika, Uganda, Zanzibar	W. J. Millyard, Canadian Government Trade Commissioner	Dolphin House, Union and Moffat Sts. SALISBURY	*Mail:* P.O. Box 2133 *Cable:* CANTRACOM *Tel.:* 26571
Singapore Brunei, Burma, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room F-3, Union Building. SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739

Territory	Officer	City Address	Mail and Cables, Office Telephone
South Africa (Natal, Transvaal) Madagascar, Mauritius, Mozambique, Reunion	K. F. Noble, Canadian Government Trade Commissioner Assistant Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa,	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	B. I. Rankin, Commercial Secretary	Canadian Embassy, Edifico España, Avenida de Jose Antonio 88, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 22-28-10
Sweden Finland	F. W. Fraser, Commercial Counsellor L. A. Campeau, Commercial Secretary	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	W. Van Vliet Commercial Secretary Assistant Commercial Secretary	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	D. B. Laughton, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 34787
United Kingdom (South of England, East Anglia, Scotland), British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor G. H. Rochester, Commercial Secretary (Timber) D. A. B. Marshall, Commercial Secretary (Agricultural) T. M. Burns, Commercial Secretary W. G. Pybus, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701 *Cable:* TIMCOM
United Kingdom (Midlands, North England, Wales)	Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor Dr. W. C. Hopper, Agricultural Counsellor E. H. Maguire, Commercial Secretary	Canadian Embassy, 1746 Massachusetts Ave., N.W. WASHINGTON 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011

Territory	Officer	City Address	Mail and Cables, Office Telephone
Washington	H. A. Gilbert, Commercial Secretary D. H. Burns, Assistant Agricultural Secretary		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda, Liberia	S. V. Allen, Consul and Senior Trade Commissioner C. R. Gallow, Consul and Trade Commissioner C. E. Butterworth, Consul and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., New York City 20	*Mail:* (City Address) *Cable:* Cantracom *Tel.:* JUdson 6-2400
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Consul and Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, Boston 16	*Mail:* (City Address) *Cable:* Canadian *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	F. H. Palmer, Consul General R. V. N. Gordon, Consul and Trade Commissioner	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, Chicago 6	*Mail:* (City Address) *Cable:* Canadian *Tel.:* STate 2-7312
United States (Michigan, Ohio)	M. J. Vechsler, Consul and Trade Commissioner J. H. Bailey, Vice Consul and Assistant Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, Detroit 26	*Mail:* (City Address) *Cable:* Canadian *Tel.:* WOodward 5-2811
*United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, Los Angeles 14	*Mail:* (City Address) *Cable:* Canadian *Tel.:* VAndike 2233
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	Consul General and Trade Commissioner A. A. Caron, Consul and Trade Commissioner	Canadian Consulate General, 215-217 International Trade Mart New Orleans 12	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAymond 2136
*United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, San Francisco 4	*Mail:* (City Address) *Cable:* Canadian *Tel.:* SUtter 1-3039
*United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	Canadian Consulate General, The Tower Building, Seventh Avenue at Olive Way Seattle 1, Washington	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MUtual 3515
Uruguay Paraguay Falkland Islands	W. Gibson-Smith, Commercial Secretary	Canadian Embassy, Caja Nacional de Ahorro Postal, Calle Colonia 1013, 7° Piso, Montevideo	*Mail:* Casilla Postal 852 *Cable:* Canadian *Tel.:* 96096
Venezuela Netherlands Antilles	H. L. Brown, Commercial Counsellor F. B. Clark, Commercial Secretary A. G. Kniewasser, Assistant Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, Caracas	*Mail:* Apartado 3306 *Cable:* Canadian *Tel.:* 43431

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalents and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1·01652.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent June 24	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Preferential buying	·1312	7·62	
		Basic buying	·1968	5·08	
		Preferential selling	·1968	5·08	(1)
		Basic selling	·1312	7·62	
		Free	·07081	14·12	
Australia	Pound		2·1928	·456	
Austria	Schilling		·03784	26·43	
Belgium-Luxembourg	Franc		·01953	51·20	
Belgian Congo	Franc		·01953	51·20	
Bolivia	Boliviano	Official	·00518	193·12	
British West Indies	Dollar		·5710	1·75	(3)
	Pound		2·7409	·365	(4)
	Dollar	British Honduras	·6852	1·46	
Brazil	Cruzeiro	Effective selling			
		Category I	·01071*	93·41*	tax 10% (2)
		Category V	·00306*	327·15*	*June 7
		Official buying	·05358	18·66	(5)
Burma	Kyat		·2066	4·84	
Ceylon	Rupee		·2056	4·86	
Chile	Peso	Official	·00492	203·29	(1)
Colombia	Peso		·3935	2·54	(6)
Costa Rica	Colon	Official	·1752	5·71	
		Controlled free	·1482	6·75	
Cuba	Peso		·9838	1·017	tax 2% (2)
Czechoslovakia	Koruna		·1366	7·32	
Denmark	Krone		·1424	7·02	
Dominican Republic	Peso		·9838	1·017	
Ecuador	Sucre	Official	·06559	15·25	
		Free	·05683	17·60	
Egypt	Pound	Official	2·8249	·354	(7)
Fiji	Pound		2·4693	·405	
Finland	Markka		·00428	233·81	
France	Franc		·00281	355·75	(8)
French Africa	Franc		·00562	177·87	(9)
French Pacific	Franc		·01546	64·68	(10)
Germany	D Mark		·2335	4·28	
Greece	Drachma		·03279	30·50	
Guatemala	Quetzal		·9838	1·017	
Haiti	Gourde		·1968	5·08	
Honduras	Lempira		·4919	2·03	
Hong Kong	Dollar	Free	·1694	5·90	*June 13
Iceland	Krona	Official	·06041	16·53	
		Special buying	·04762	21·00	
		Special selling	·03762	26·58	(11)
India	Rupee		·2056	4·86	
Indonesia	Rupiah	Basic	·08629	11·59	(12)
Iran	Rial	Certificate	·01299	77·01	
Iraq	Dinar		2·7545	·363	
Ireland	Pound		2·7409	·365	
Israel	Pound		·5465	1·83	
Italy	Lira		·00158	633·31	

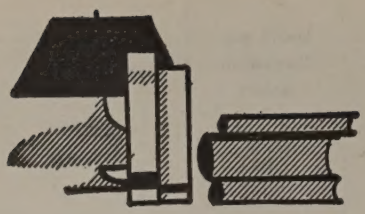
* Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent June 24	Units per Canadian dollar	Notes (See below)
Japan	Yen		·00273	365·90	
Lebanon	Pound	Free	·3036	3·29	
Mexico	Peso		·07870	12·71	
Netherlands	Guilder		·2578	3·88	
Netherlands Antilles	Guilder		·5195	1·92	
New Zealand	Pound		2·7409	·365	
Nicaragua	Cordoba	Effective buying	·1490	6·71	
		Official selling	·1395	7·17	
		With Surcharge I	·1222	8·18	
		With Surcharge II	·09789	10·22	
Norway	Krone		·1377	7·26	
Pakistan	Rupee		·2973	3·36	
Panama	Balboa		·9838	1·017	
Paraguay	Guarani	Basic	·04685	21·34	(1)
		With Surcharge I	·03644	27·45	
		With Surcharge II	·02733	36·60	(13)
Peru	Sol	Certificate	·05178	19·31	
Philippines	Peso		·4919	2·03	tax 17% (2)
Portugal	Escudo		·03433	29·13	(14)
El Salvador	Colon		·3935	2·54	
Singapore & Malaya	Straits dollar		·3198	3·13	
South Africa (Union of)	Pound		2·7409	·365	
Spain & Dependencies	Peseta	Basic buying	·04492	22·26	
		Basic commercial selling	·05989	16·70	(1)
		Free	·02526	39·59	
Sweden	Krona		·1902	5·26	
Switzerland	Franc		·2296	4·36	
Syria	Pound	Free	·2755	3·63	*May 16
Thailand	Baht	Free	·04585	21·81	*April 22 (1)
Turkey	Lira		·3513	2·85	
United Kingdom	Pound		2·7409	·365	
United States	Dollar		·9838	1·017	
Uruguay	Peso	Official	·6476	1·54	tax 6% (2)
		Basic buying	·5527	1·81	(1)
		Special buying	·4186	2·39	
		Basic selling	·5178	1·93	
		Special selling	·4015	2·49	
Venezuela	Bolivar		·2937	3·40	
Yugoslavia	Dinar		·00328	304·97	

* Latest available quotation date.

notes

1. Additional rates are in effect.
2. Tax affects selling (import) rates only; certain essential imports exempt.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Br. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Currency certificates auctioned for five import categories. Effective selling rate is official plus price of certificates. Exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 31.70 cruzeiros per U.S. dollar depending on product.
6. Colombia: Stamp taxes of 3, 10, 30, 80 and 100 per cent on imports depending on essentiality.
7. Egypt: Egyptian exporters receiving payment in dollars are granted Entitlements authorizing purchase of exchange for dollar imports. Effective rate for imports into Egypt is official plus premium (average of 11·4 per cent in April) on Entitlements.
8. Includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
9. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
10. New Caledonia, New Hebrides, Oceania.
11. Iceland: Special rates apply to minor export products of small fishing boats and designated non-essential imports.
12. Indonesia: Basic rate applies to all exports and essential imports. Purchase of exchange for other imports is subject to exchange surcharges of 33⅓, 100 or 200 per cent depending on product.
13. Paraguay: Basic rate applies to most Paraguayan exports.
14. Portugal: Approximately same rate for Portuguese Territories in Africa.



businessman's bookshelf

Chile

By Gilbert J. Butland for the Royal Institute of International Affairs. 115 pages. $2.75.

AS A GEOGRAPHER, Mr. Butland is well equipped to understand a country like Chile—2,600 miles long by about 110 miles wide—where climate and terrain vary so widely and determine the economics of each region. During a five-year sojourn in Chile, he visited all but three of its 25 provinces and obtained much assistance from its "excellent statistical bureau".

He deals in an interesting way with the production and trade of each of the four geographic areas. He then goes on to discuss the changes since World War II, with copper replacing nitrate as the leading export, with agriculture expanding despite its problems, and some industry springing up. He pays tribute to the Chilean Development Corporation and what it is doing to solve difficult economic problems and to hasten progress. Anyone interested in trade with Chile should find this book an admirable guide.

Published by: Oxford University Press, 480 University Avenue, Toronto.

The South American Handbook, 1954-55

Edited by Howell Davies. 822 pages. $2.50.

IT IS HARD TO THINK of any question the prospective business traveller to Latin America could ask that is not answered in this handbook. It covers, in remarkable detail, South and Central America, Mexico and Cuba. Because it has obviously been compiled by an objective mind, the reader feels assured that the information given is reliable. This feeling is confirmed by the sources acknowledged in the preface. In this 31st edition, the sections on Argentina and Chile have been entirely rewritten and fresh maps added.

The introduction gives a general picture of the countries discussed in the book, their geography, their people and their political history. Travel to and in Latin America and all the details involved—passports, baggage, meals, clothes, postal rates, etc.—are also covered in the introduction. A short vocabulary of essential words and phrases in Spanish and Portuguese and a brief resumé of ports of call en route follow.

As an example of the variety of information provided for each country, under Argentina we find a history of its discovery and development, descriptions of its geographic divisions, people, principal cities, communications and economy, information for visitors, and a map. The *Handbook* also includes eight coloured sectional maps of South America.

Order from: The H. W. Wilson Company, 950 University Ave., New York 52, New York.

Meet Holland

The Mercantile Bank of Canada. 23 pages. Free.

THE MERCANTILE BANK OF CANADA, which produced this booklet, was established as a chartered Canadian bank in 1953 under the sponsorship of the Nationale Handelsbank N.V. of the Netherlands. The authors are, therefore, highly competent to discuss the Netherlands and its economy. This they do, briefly and clearly, in this little booklet. The facts they present are made more real to the Canadian reader, in many instances, by comparisons with Canada. For instance, "In the Netherlands less than 200 farms are over 250 acres in size, whereas in Canada more than 200 thousand farms are in that category".

The booklet lists Holland's major cities and discusses briefly the part each plays in the country's life and economy. The geography, climate, population and form of government are discussed. Other sections cover agriculture, the major industries, exports and imports (with special emphasis on trade with Canada), transit trade through the Netherlands, and the country's membership in GATT and Benelux. The booklet ends with a mention of the services offered by the Mercantile Bank of Canada.

Order from: The Mercantile Bank of Canada, 255 St. James Street West, Montreal.

go out and sell!

That's the battle-cry of business. It has been ever since business was business—no matter where, no matter what language.

There has been the occasional moment in history when business has enjoyed the luxury of a yawn—"let them come and buy". But this is not one of those rare moments. This is no time for yawners.

The Department of Trade and Commerce, in business to promote the sale of Canadian products throughout the world, lives by the battle-cry—"Go out and sell!" In Bogotá and New York, in Tokyo and Milan, in London and Ciudad Trujillo, the Department is showing Canadian goods at trade fairs and exhibitions.

Perhaps your firm can boost its sales by exhibiting at trade fairs abroad. For information on the best markets for your products, and how to go out and sell them through trade fairs, write to the Director, Commodities Branch, Department of Trade and Commerce, Ottawa.